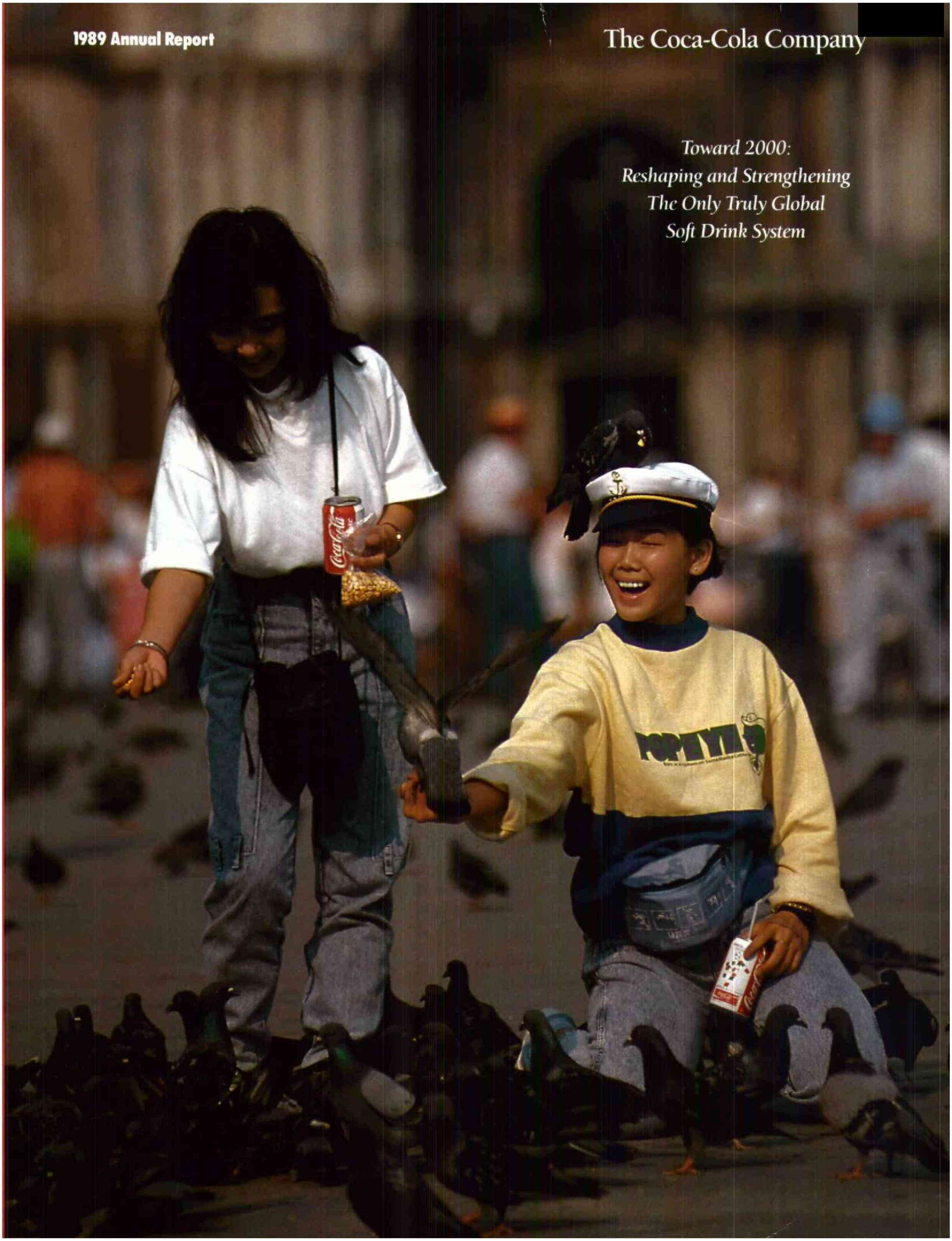

1989 Annual Report
The Coca-Cola Company
Toward 2000:
Reshaping and Strengthening
The Only Truly Global
Soft Drink System

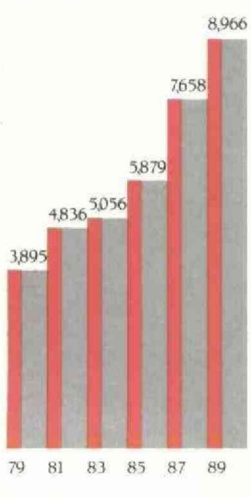
Financial Highlights

(In millions except per share data)

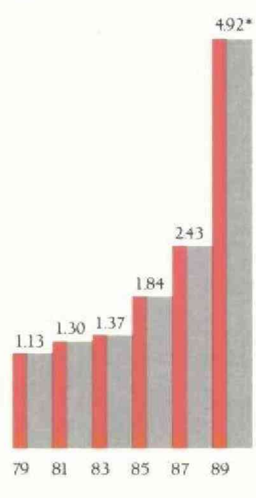
Year Ended December 31,	1989	1988	Percent Change
Net operating revenues	**$8,965.8**	$8,337.8	7.5%
Operating income	**$1,725.8**	$1,598.3	8.0%
Income from continuing operations before income taxes	**$1,764.3**	$1,626.4	8.5%
Income from continuing operations	**$1,192.8**	$1,089.0	9.5%
Net income	**$1,723.8**	$1,044.7	65.0%
Preferred stock dividends	**$ 21.4**	$ 6.4	234.4%
Net income available to common shareholders	**$1,702.4***	$1,038.3	64.0%*
Income per common share from continuing operations	**$ 3.39**	$ 2.97	14.1%
Net income per common share	**$ 4.92***	$ 2.85	72.6%*
Cash dividends per common share	**$ 1.36**	$ 1.20	13.3%
Average common shares outstanding	**346.0**	364.6	(5.1%)
Common shareholders' equity at year-end	**$3,185.5**	$3,045.3	4.6%
Income from continuing operations available to common shareholders to average common shareholders' equity	**37.6%**	34.7%	
Closing market price per common share	**$ 77.25**	$ 44.63	73.1%

**Net income available to common shareholders in 1989 includes an after-tax gain of $509 million ($1.47 per common share) from the sale of the Company's equity interest in Columbia Pictures Entertainment, Inc. (CPE) in November and an after-tax gain of $36 million ($.10 per common share) from the sale of the Company's bottled water business in August. Excluding these gains, net income available to common shareholders was $1,157 million, an increase of 11.5 percent from the prior year, while net income per common share was $3.35, an increase of 17.5 percent from the prior year.*

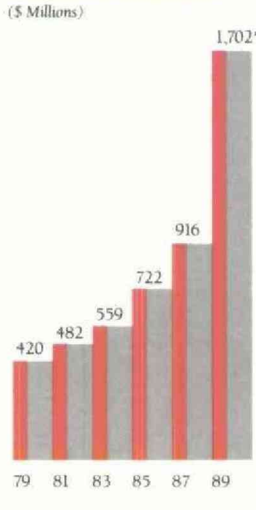
Net Operating Revenues
($ Millions)



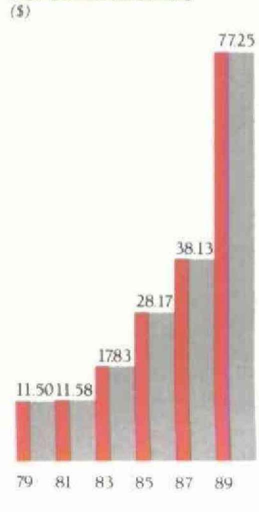
Net Income Per Common Share
($)



Net Income Available to Common Shareholders
($ Millions)



Closing Market Price Per Common Share
($)



Cover: Indonesian tourists enjoy Coca-Cola in Venice's San Marco Square. In more than 160 countries, "You Can't Beat the Real Thing."

An Extraordinary Decade

The 1980s were a most remarkable decade for The Coca-Cola Company.

From 1980 through 1989:

- Our share of global soft drink sales grew from roughly 38 percent to more than 45 percent, more than double the share of any competitor. Our soft drink syrup and concentrate gallon sales increased from 1.2 billion to 2.1 billion.
- Our share of international soft drink sales grew from 39 percent to more than 48 percent, nearly four times the share of any competitor. Annual international per capita consumption of our soft drinks soared from 38 to 56.
- Our share of U.S. soft drink sales increased from 36 percent to more than 40 percent. Annual U.S. per capita consumption of our soft drinks increased from 205 to 283.
- Our per-share income from continuing operations more than tripled.
- Our return from continuing operations on common shareholders' equity improved from 21 percent to 38 percent.
- The price of a share of our common stock increased almost sevenfold.
- The market value of our common stock grew from $4.3 billion to $26 billion, creating $21.7 billion of shareholder wealth.

The 1990s promise to be even more memorable. Our agenda will be the same: to increase our global soft drink leadership and to ensure that our shareholders remain the primary beneficiaries of this Company's profitable growth.

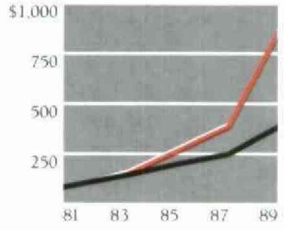
To Our Shareholders: By any measure, the final year of the 1980s produced the most outstanding results of an extraordinary decade. Last year, our system sold more than 8.8 billion cases of Company soft drinks, an increase of 655 million cases over 1988. To put that into perspective, 1989's incremental gallon sales were greater than our *total* gallon sales in 1954. Our share of worldwide soft drink sales climbed to an all-time high of more than 45 percent. For 1990, our Directors voted to raise our annual dividend 18 percent to $1.60, the largest increase since 1960.

The year's financial highlights were led by a 76 percent total return on your investment, the combination of dividends and stock price appreciation, and a 38 percent return from continuing operations on common shareholders' equity. Net income available to owners of common stock grew 64 percent to $1.7 billion, and net income per common share climbed 73 percent to $4.92. Last year's earnings included gains of $1.47 per common share from the tender of our 53.8 million shares of Columbia Pictures Entertainment, Inc. to Sony Corporation and 10 cents per common share from the sale of Belmont Springs Water Co., Inc. Excluding these one-time gains, our net income per common share increased nearly 18 percent to $3.35.

▶ **Roberto C. Goizueta, Chairman, Board of Directors, and Chief Executive Officer (left), and Donald R. Keough, President and Chief Operating Officer.**

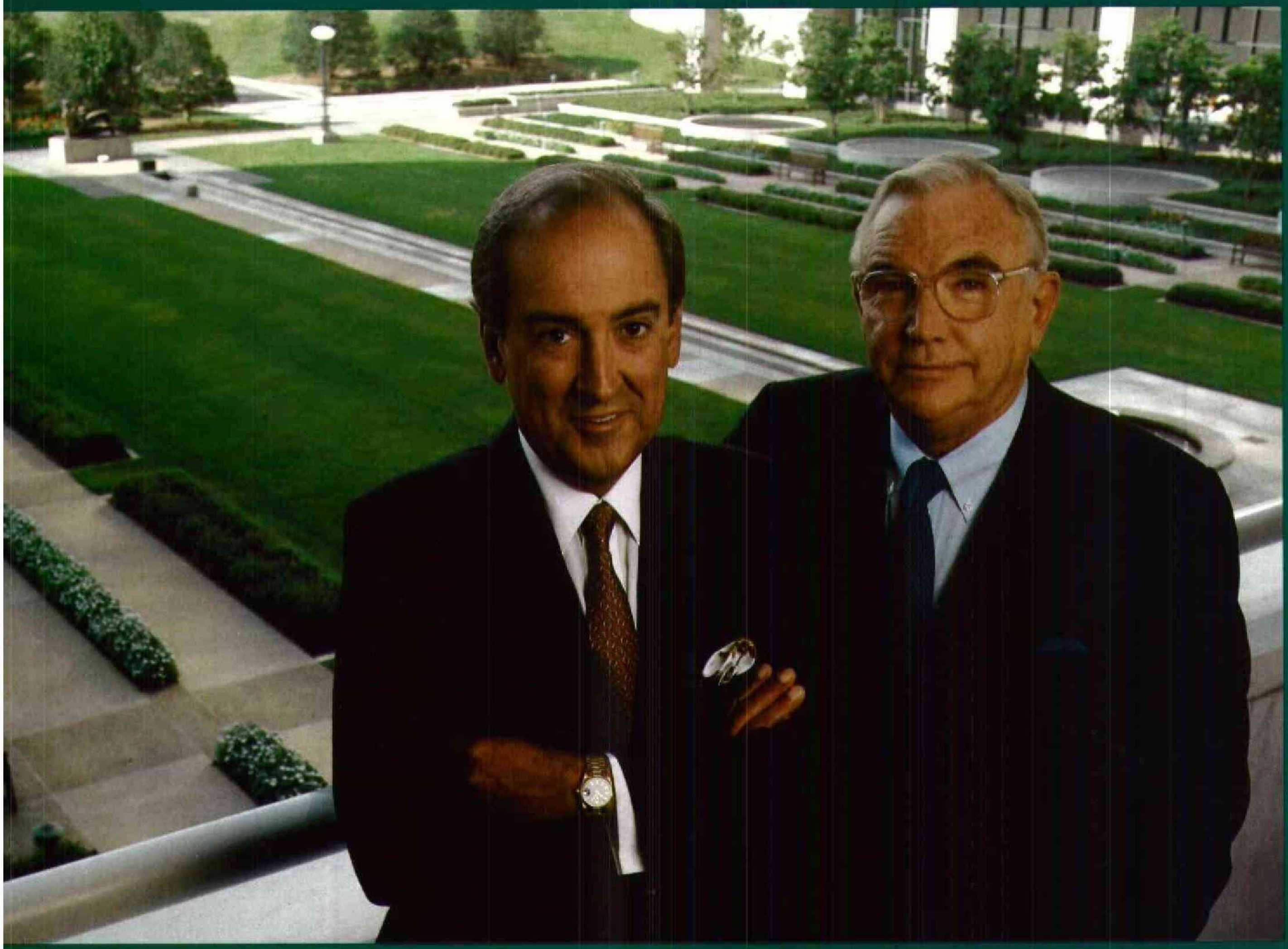
This report focuses on the steps we and our licensed bottling partners are taking to reshape and strengthen our global production and distribution network. Last year alone, we invested more than $1 billion in equity participations with our bottlers. In addition, we invested more than $350 million in soft drink capital projects, most notably production facilities such as state-of-the-art canning and concentrate manufacturing plants for the European Community.

Total Return vs S&P 500
(Appreciation Plus Dividends)



The Coca-Cola Company
Standard & Poor's 500
Based on $100 investment on 12/31/81

The success of your Company last year, and through-

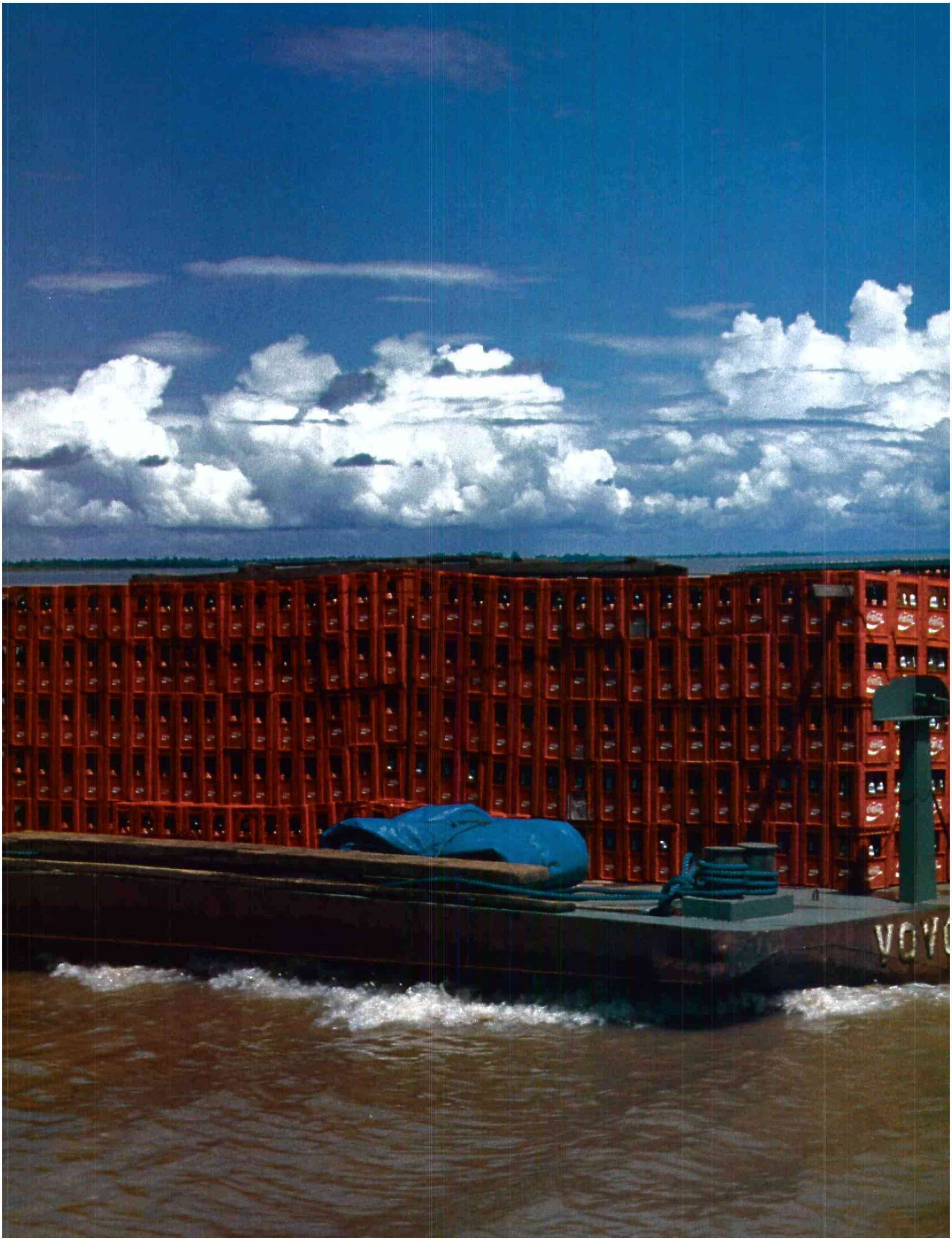


out the entire decade, is attributable to the hard work and dedication of our talented associates, the focused efforts of the world's most effective distribution network, the advice, leadership and encouragement of our Directors and your continued support. We thank you.

Roberto C. Goizueta
Chairman, Board of Directors,
and Chief Executive Officer

Donald R. Keough
President and
Chief Operating Officer

February 15, 1990



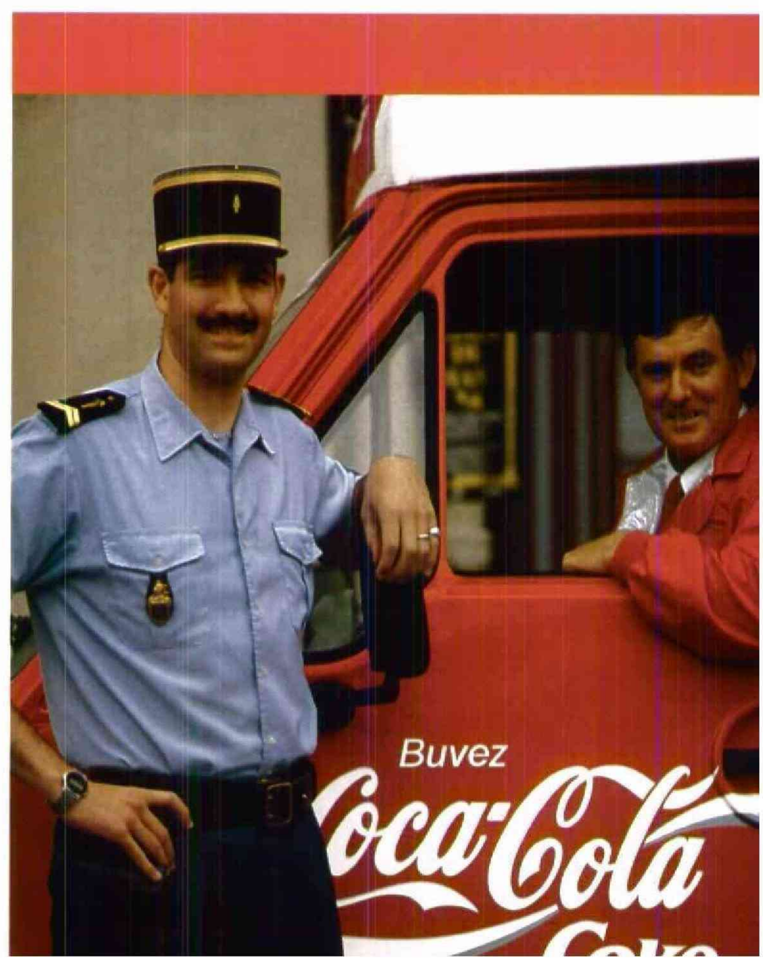
Toward 2000: Reshaping and Strengthening The Only Truly Global Soft Drink System

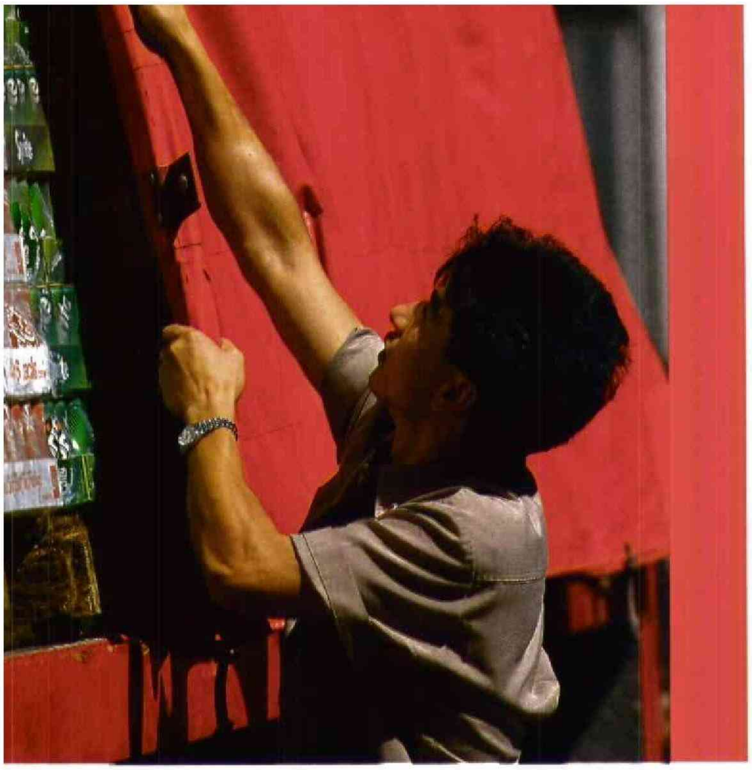
"Globalization" seems to be the avowed objective of every large company these days, and for good reasons. A unified European market is on its way. The Pacific Rim is booming. The rebounding economies of many Latin American countries are cause for optimism. Long-standing economic and political barriers are being dismantled in Eastern Europe, Africa and elsewhere, as governments increasingly embrace free markets as generators of growth.

But while others look hungrily abroad, The Coca-Cola Company is among a handful of companies that are already global. While others extol the promise and potential of the global marketplace, we are already reaping its rewards. In most of the more than 160 countries where we operate, we and our licensed bottling partners created the carbonated soft drink market and today lead it by a wide margin.

Building a network capable of serving the world's marketplaces takes vast amounts of money, hard work and time. The Coca-Cola Company began to transform itself into a global enterprise in the early 1920s. For more than 60 years, we have been developing business relationships and investing in a system that today carries an estimated replacement cost of more than $100 billion.

The foresight of our predecessors has placed us in an enviable position. More than 45 percent of all carbonated soft drinks sold around the world are ours. No competitor commands even a 21 percent share. Coca-Cola is the world's best-selling soft drink. Diet Coke, Sprite and Fanta Orange all lead their segments. We are the only bona fide global force in an industry blessed with unlimited growth potential. The Coca-Cola business system has proven it can flourish in any culture or economy. But soft drinks do not sell themselves. We alone





have the production facilities, distribution systems, resources and people to develop a soft drink matrix on a truly international scale.

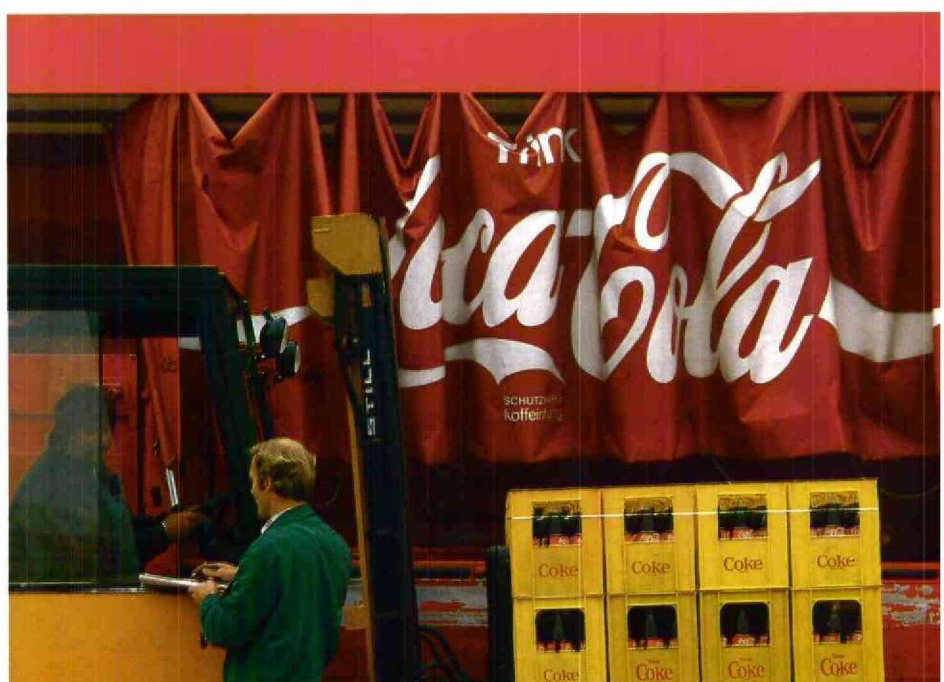
For decades we worked to build a global network of strong bottling partners. In the 1980s, with our reach extending into virtually every market, we began taking steps to make the system we had created globally preeminent. We began to analyze each market in terms of what actions were necessary to stimulate accelerated growth. Each year of this decade, we have heightened our involvement in our bottling system, with the most extensive changes thus far having come in 1989.

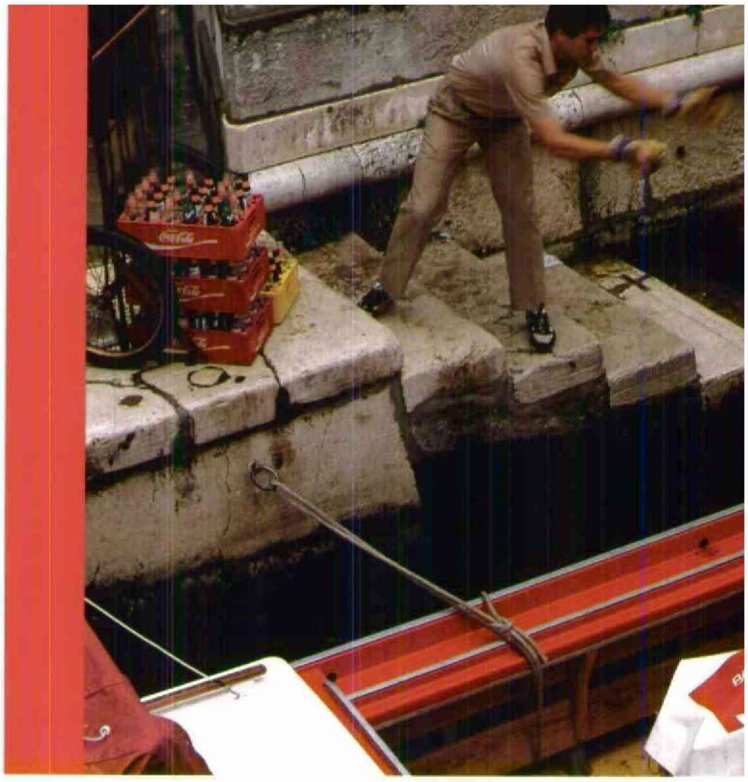
We are not changing the business simply to create excitement. We are striving to ensure that each of our licensed bottling partners has both a commitment to serving its customers and the financial resources to fulfill that commitment.

And our customers are changing. Around the world, they are growing larger, consolidating and crossing national borders with increasing frequency, particularly within the fast-changing European Community. Growth for our customers means growth for us. Where they go, we go; the more they sell, the more we sell.

With the benefits of national and international expansion, however, comes the responsibility of serving the needs of increasingly complex organizations. We are altering our own internal organization to meet these needs; our system is evolving in the same way.

In addition to serving small, purely local customers, our bottlers must now also command the resources necessary to serve the franchisees and local divisions of global enterprises. We have accomplished



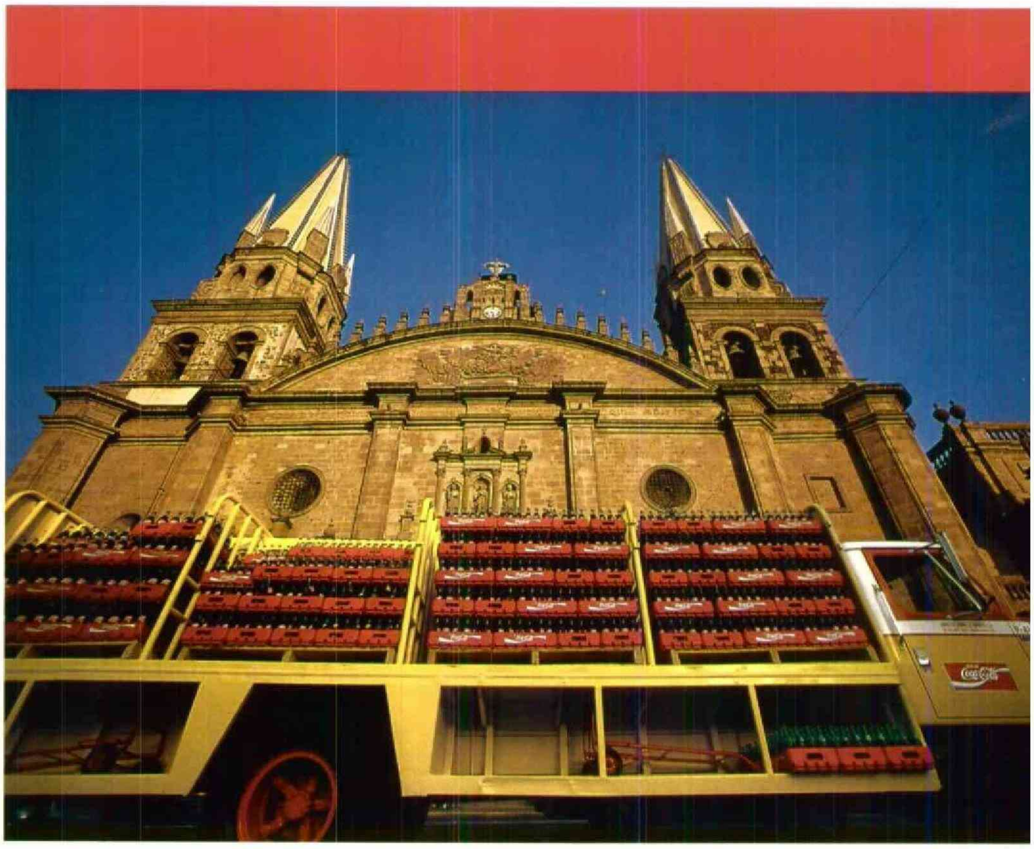


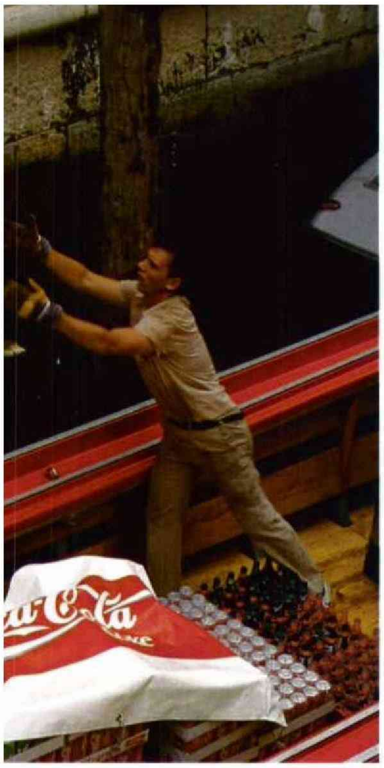
much this decade, facilitating more than $9 billion in transactions that have collectively recast much of our system. Usually, we have taken an equity position, permitting us greater influence than we had in the past.

Until this year, for example, our largest bottler in Australia, Coca-Cola Amatil Limited, was a highly diversified company. We welcomed that bottler's desire to restructure in 1989 and assumed a 60 percent stake in a Coca-Cola Amatil now firmly focused on soft drinks and snack foods. We are confident of generating increasing returns on our $500 million investment as Coca-Cola Amatil strengthens its leadership in Australia while expanding internationally.

Our reasons for reshaping our system are not tied exclusively to the evolving nature of our largest customers. In the Pacific, for example, we anticipate considerable changes in the relations among Hong Kong, Taiwan and China. To prepare for the future, we helped develop a unique joint venture involving bottling companies from each country. The venture effectively links the interests of the three bottlers, while our influence is secured through our equity participation in both the joint venture and the three participating companies.

In most situations where we have taken an equity position, we have helped to secure capable, aggressive executives to manage these operations. In Taiwan, for





example, we acquired a minority interest in our Taipei bottler and helped assemble effective management in 1986. Since then, per capita consumption of our products has more than tripled to 42, and our share of soft drink sales has increased from 20 percent to 39 percent. Similar results have been posted in the Philippines where, since formation of our joint venture in 1981, our share has increased from 31 percent to 75 percent, and in Great Britain, where our gallon sales have grown by 24 percent annually since the formation of Coca-Cola & Schweppes Beverages in 1987.

On occasion, even greater involvement on our part is necessary. Last year, for example, we acquired bottling properties handling more than 95 percent of our gallon sales in France. Recent experience tells us French per capita consumption of our products, which currently lags substantially behind most of Europe, will now climb significantly.

Through the decades, we have built value for our shareholders by pursuing our own unique application of the licensing system, enlisting bottling partners whose local expertise has made Coca-Cola and our other brands indigenous to more than 160 countries. Now we are working to make sure our partners' operations and finances are properly structured to serve the evolving needs of our customers.

As we move toward the year 2000, the creation of value continues to pervade our thoughts and underlie our actions. We continue to strengthen our system so that we can run stride-for-stride with our customers and many steps ahead of any competitor. We continue to reshape ourselves and our global system to meet the new realities of global commerce and to maximize the value of our shareholders' investment in The Coca-Cola Company.


Enjoy
Coke
つめた～い
あったか～い
Coke
つめた～い
つめた～い
Enjoy
Coca-Cola
Coke

The Year In Review

In 1989, we closed out a decade of accelerated growth and change by concentrating on what we do better than anyone else: the global marketing of soft drinks. We sold our minority interest in Columbia Pictures Entertainment, Inc. as part of the tender offer by Sony Corporation, invested much of our excess cash in our worldwide bottling system and focused our energy and assets on soft drinks. Few other businesses offer similar potential for sustainable, profitable growth.

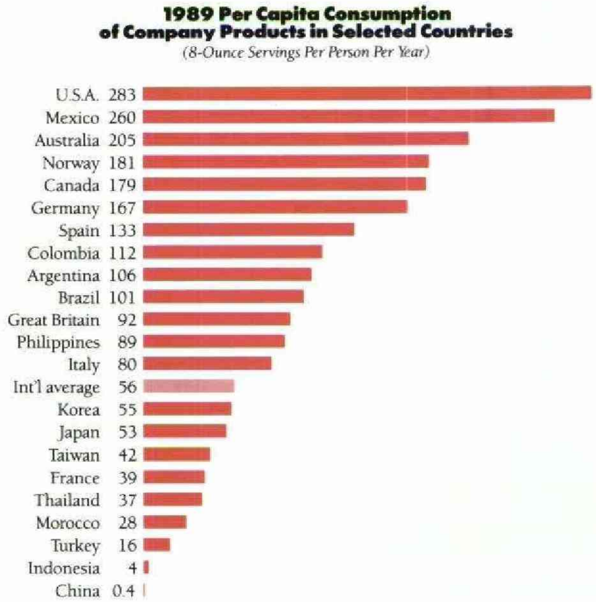
Nearly 96 percent of our operating income came from the sale of soft drink concentrates and syrups. Within this growing core business, international sales accounted for nearly 80 percent of our soft drink operating income, up slightly from a year earlier. Leading this growth, our international soft drink operations reported a 10 percent gallon-sales increase. International soft drink operating income grew 13 percent in 1989 to $1.5 billion, despite the effects of a U.S. dollar that strengthened approximately 6 percent against key foreign hard currencies during the year.

◀ Italy plays an important role in a European Community that already accounts for 24 percent of our total international gallon sales.

In the United States, our gallon sales grew 2½ percent, in line with an industry growth rate slowed by long-awaited retail price increases. Our share of soft drink sales increased to more than 40 percent, and operating income climbed 11 percent.

Our Canadian unit, Coca-Cola Ltd., reported 17 percent gallon-sales growth, reflecting the aggressive efforts of our joint-venture bottler, Coca-Cola Beverages.

On a worldwide basis, gallon sales grew 8 percent, and soft drink operating income climbed 13 percent. Our



worldwide share of flavored, carbonated soft drink sales – excluding the Soviet Union and China – climbed to more than 45 percent, more than double the share of any competitor.

As impressive as those results are, we remain discontented, convinced that our worldwide opportunities promise an even brighter future. In 1989, we prepared for that future by continuing to strengthen our bottling partners, particularly in Europe and the Pacific, and by increasing our system's production and distribution capabilities.

International Soft Drinks

Our share of international soft drink sales climbed to more than 48 percent; 1989 marks the eighth straight year in which we have posted a new all-time high share. International gallon sales grew by 10 percent, and international per capita consumption of our products increased nearly 10 percent, to 56 drinks per year.

COCA-COLA EUROPEAN COMMUNITY GROUP

Charged with growing our business in the European Community, which already accounts for 24 percent of our total international gallon sales, the Coca-Cola European Community Group generated 11 percent gallon-sales growth, led by increases of 30 percent in the United Kingdom and 23 percent in France.

◀ **Having purchased bottling operations accounting for 95 percent of our business in France, we expect to double gallon-sales and per capita consumption rates by 1992.**

While many international companies are only now focusing on the implications of 1992's single market, we are already positioned to expand Europe's largest and most successful soft drink system. In France last year, we purchased the bottling operations of our former bottler for approximately $140 million. We now own bottling operations generating more than 95 percent of our total French gallon sales, and we expect to double both gallon sales and per capita consumption in France by 1992. Vending, neglected in the past, should contribute substantially, as we will place 20,000 new venders this year.

In Germany, our largest EC market, a more aggressive bottling system produced impressive results. The system sold an additional 27 million unit cases, the largest


FANTA

increase since 1985. Coca-Cola, Fanta, Coca-Cola light and Sprite, in that order, were Germany's four best-selling soft drinks. Most important, we facilitated the ongoing consolidation of a bottling system that included more than 100 bottlers five years ago and that comprises just 61 units today.

Cans, which account for 22 percent of our German unit case sales, will be an important source of future growth. This year, for example, we will introduce six packs, twelve packs and twenty-four packs for cans, which are currently sold singly.

Italy, by contrast, already has a highly developed one-way market: cans and other one-way packages accounted for more than 85 percent of Company unit case sales last year. Rounding out a decade of robust growth, the Italian Division posted strong results, as gallon sales increased 7 percent. Company products accounted for nearly 52 percent of Italian soft drink sales.

Spain offers a microcosm of our solid base and expanding opportunities within the European Community. In packaging, for example, returnable bottles still make up 45 percent of Company unit case sales, but that share has been declining for a number of years, with nearly all recent growth coming from one-way packages and post-mix. Hypermarkets and supermarkets, still only 2 percent of the country's soft drink outlets, accounted for more than 32 percent of Company gallon sales last year. Coke light and caffeine-free Coke helped boost the country's per capita consumption of Company products to 133, up from 80 just five years ago.

◀ Fanta, the world's third best-selling soft drink brand, last year accounted for 12 percent of our Pacific Group's gallon sales.

Our production efficiency increased significantly as we opened two major facilities in France, a concentrate manufacturing plant in Signes and a canning plant in Dunkirk.

1989 vs 1988 Volume in Selected Countries
(Percent Change in Gallon Sales)

U.S.A.	2½	Philippines	10
Mexico	20	Italy	7
Australia	7	Korea	6
Norway	5	Japan	9
Canada	17	Taiwan	45
Germany	2	France	23
Spain	15	Thailand	24
Colombia	0	Morocco	21
Argentina	(8)	Turkey	33
Brazil	21	Indonesia	2
Great Britain	30	China	17


MARINE

The Pacific Group

In a world of opportunities for profitable growth, the countries of Asia and the Pacific still manage to stand out. A combination of red-hot economies, youthful populations and rapidly developing soft drink infrastructures led to 9 percent growth last year for the Pacific Group, which already accounts for 22 percent of our international gallon sales.

We also helped facilitate major structural changes in markets responsible for approximately 20 percent of our Pacific gallon sales. Our new partnership with Coca-Cola Amatil Limited helped drive 7 percent gallon-sales growth in Australia, where we enjoy a 54 percent share of soft drink sales and an even larger share of the cola segment. Diet Coke is the number two soft drink, outselling Pepsi and diet Pepsi combined. Having spun off its tobacco interests, Coca-Cola Amatil is poised to build on its impressive history of profitable growth.

Coca-Cola Swire Beverages Limited, a new joint venture that links the interests of our bottling partners in Hong Kong, Taiwan and China, helped generate an average of 22 percent gallon-sales growth in all three markets. We expect this innovative arrangement to grow gallon sales at an even faster pace in the coming years.

◀ In Norway and worldwide, Sprite strengthened its position as the world's best-selling lemon-lime soft drink, with gallon sales climbing nearly 9 percent.

Japan, the Pacific Group's flagship, posted a 9 percent gallon-sales increase. Coca-Cola led the cola segment with an 84 percent share, but several of our other products also enjoyed great success. Coca-Cola light, after being reformulated with a new sweetener combination, outsold Pepsi-Cola. With Georgia Coffee leading the way, our share of the important non-carbonated segment reached nearly 20 percent. Our growth strategies for the next few years include the introduction of multi-packs, the 2 liter PET bottle and larger packages for non-carbonated products. In perhaps the world's greatest vending market, we and our bottling partners will place an additional 170,000 venders over the next three years.

Northeast Europe/Africa (NEA) Group

The 79 countries of the NEA Group reported 5 percent gallon-sales growth last year and accounted for 13 percent of our international gallon sales. Overall, solid gallon-sales growth for the Group was moderated by declines in Egypt and Nigeria, which experienced foreign-exchange shortages.

Among the Group's more important markets, gallon sales grew 21 percent in Sweden, Morocco and the Soviet Union, 5 percent in Norway, 9 percent in both Austria and Switzerland, 13 percent in Zimbabwe and 33 percent in Turkey, where we acquired the Ankara franchise in late 1988. Success in such disparate markets demonstrates both the universal appeal of our products and the adaptability of our system.

The Group's prospects for profitable growth have been considerably enhanced by recent political and economic developments in the Middle East, Eastern Europe and Africa. In the Middle East, for example, we began doing business again in six Arab countries, including Saudi Arabia, from which we had been excluded for 21 years. This is an area of enormous potential: per capita income is relatively high; alcohol consumption is prohibited in many of the countries; and per capita soft drink consumption averages nearly 200 servings per year. Even though it will take some time for our system to return to full capacity, we are greatly encouraged by the positive reception our products have received, and we expect substantial future growth.

◀ **African markets, here Tanzania, are becoming increasingly important, as local governments seek to stimulate economic growth by implementing free-market policies.**

In both Eastern Europe and Africa, we are beginning to benefit from the growing tendency of governments to look for economic stimulation through free markets rather than state control of the economy. In many of these countries, where political and economic constraints have mandated a caretaker role for us in the past, we will now be able to grow our business aggressively. Increasing availability through new plants, new packages and cooler placement programs will be our main focus.


diet
Coca-Cola

THE LATIN AMERICA GROUP

During the first half of the decade, the Latin America Group developed its business rapidly by pursuing high gallon sales through relatively low margins. Recently, the Group has shifted to a strategy of increasing margins, and earnings have more than doubled in the past five years.

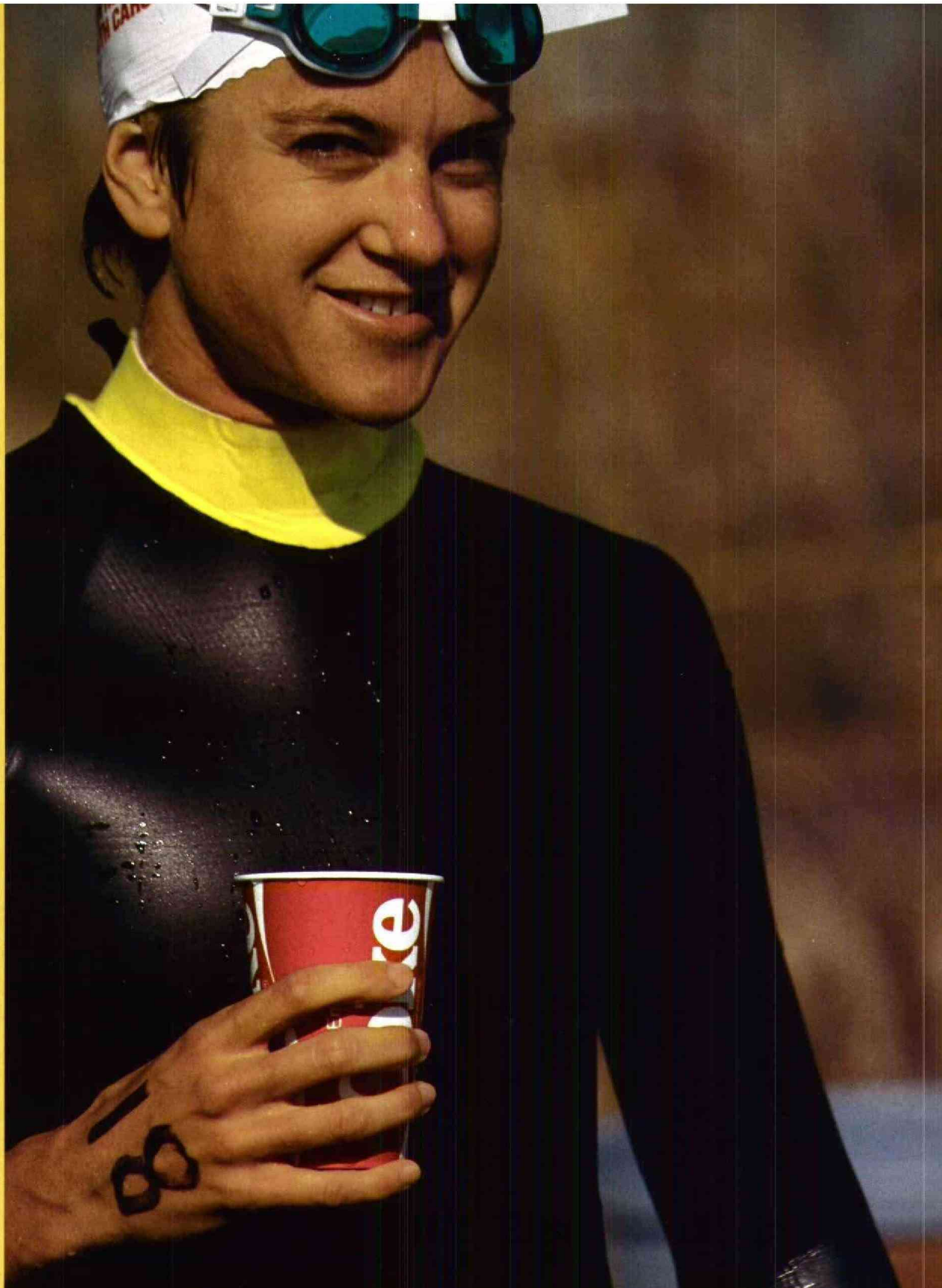
Despite the increased margins, rapid growth has continued. The Group's gallon sales increased 12 percent last year and accounted for 37 percent of our international total. Not surprisingly, the Group's Company-products per capita consumption rate of 123 was the highest of our four international groups. Our share of the cola segment was 74 percent last year, and for the first time, our share of soft drink sales topped 50 percent, climbing to more than 51 percent.

Mexico's resurgent economy helped gallon sales grow 20 percent. After a two-year retail price freeze, the government allowed a 35 percent price increase on returnable packages and freed one-way packages from price controls altogether. We expect continued gallon-sales growth, and the price increases will allow us and our bottlers to invest $500 million in system improvements over the next five years.

◀ **Diet Coke continued to gain momentum in Tahiti and worldwide. It is already the second best-selling soft drink in several U.S. and international markets.**

Free-market conditions have helped Chile become a model soft drink market for Latin America. Last year, gallon sales increased 23 percent, and the introduction of 1.25 and 1.5 liter resealable bottles strengthened our competitive position. Our bottling partners continued to invest at the same aggressive rate that has helped double gallon sales in Chile since 1985.

We countered competitive pressure in Brazil by joining our bottling partners in investing an incremental $20 million to bring new products, new packages, additional merchandising and post-mix development to the key cities of Rio de Janeiro, Pôrto Alegre, Belo Horizonte and São Paulo. The effort helped drive a 21 percent gallon-sales increase, and our share of soft drink sales jumped from 56 percent to 59 percent.



As Latin American economies increasingly rely on free-market principles in the 1990s, we expect these investments to lead to even more profitable growth.

International Post-Mix

Our international post-mix, or fountain, business grew 12 percent last year, and post-mix accounted for 5 percent of total international unit case sales, double its 1980 contribution. Because we see outstanding growth opportunities, we will continue to invest heavily in post-mix equipment. In Japan, for example, we and our bottlers will invest $300 million in this distribution channel over the next three years.

Several developments will help drive post-mix growth. The MINIPOM dispenser, known as BreakMate in the United States, is helping us reach venues too small to support regular post-mix or vending equipment. We are evaluating the creation of new post-mix joint ventures in several markets. In France, we created a free-standing venture devoted exclusively to post-mix. As a result of these activities, we expect international post-mix gallon sales to double over the next three years.

◀ Coca-Cola classic, the best-selling soft drink in the United States, is an essential component of U.S. lifestyle, here the national triathlon championships.

Coca-Cola USA

Coca-Cola USA, firmly focused on marketing, reported a gallon-sales increase of 2½ percent. The division's share of soft drink sales expanded to more than 40 percent within an industry that grew 2 percent.

In the bottle/can segment, retail price discounting finally seemed to reach its limits, and prices rose an average of 1 percent following two consecutive years of decline. With the price increase initially slowing sales, a fourth-quarter return to traditional growth levels resulted in a 4 percent unit case sales gain for the full year.

As with the entire industry, Coca-Cola USA's post-mix gallon sales remained at 1988 levels, due primarily to a slowdown in fast food restaurant traffic. Coca-Cola USA maintained its two-to-one lead over its nearest competitor in post-mix, and an increase in fourth-quarter gallon sales is expected to continue into this year.


4
5
6
100% PURE
Minute Maid
ORANGE JUICE

Overall, our top three U.S. products – Coca-Cola classic, diet Coke and Sprite – forged share gains. Unit case sales for Coca-Cola classic, the nation's leading soft drink, grew 2 percent. Coca-Cola classic is the only sugar cola to have increased its share of food store sales in each of the last four years. Coca-Cola USA increased its share of the one-calorie segment through double-digit growth for both diet Coke and caffeine-free diet Coke, which together outsold regular Pepsi in Atlanta, Houston, Boston and other major markets. Diet Coke is also the second best-selling soft drink among women and all consumers over 35 years of age.

Coca-Cola Foods

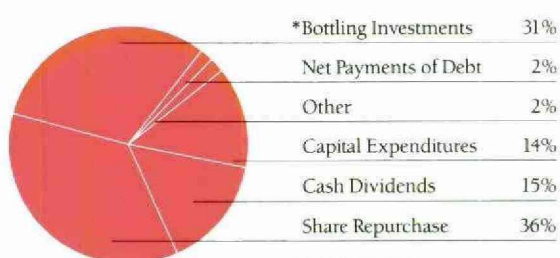
While our total enterprise is focused primarily on soft drinks, our foods operation is focused on juice and juice-based beverages. This emphasis sharpened during the year, as Coca-Cola Foods' coffee and bottled water operations were sold. Products bearing the Minute Maid trademark now account for 64 percent of the division's net revenues.

Since 1987, Coca-Cola Foods has introduced a number of highly successful new packages and products that are forecast to generate roughly $425 million in revenue this year. Along with the nationwide distribution of Minute Maid chilled orange juice in a new 96-ounce plastic bottle, important introductions included Minute Maid Premium Choice and Hi-C Ecto Cooler.

◀ **Unit sales of Minute Maid chilled orange juice climbed 29 percent, reflecting the growing consumer preference for the convenience of chilled juices.**

Coca-Cola Foods' orange juice retail volume grew 19 percent in the United States. Chilled orange juice volume climbed 29 percent, led by the performance of Minute Maid Premium Choice and larger package sizes for regular chilled juice. Frozen orange juice retail volume grew 10 percent, substantially faster than the overall category.

Summary of 1989 Cash Outflows
(From Investing and Financing Activities)



**Includes Temporary*


Coca-Cola

Financial Activity

Our strong balance sheet and annual cash flow in excess of $1 billion offer us significant opportunity for increasing shareholder value over time. We apply these substantial resources by pursuing a three-pronged strategy of investing heavily in our very profitable core business, maintaining a competitive dividend-payout ratio and repurchasing our own stock.

We invested $1.4 billion in our global soft drink system last year, and our dividend was increased this year by 18 percent.

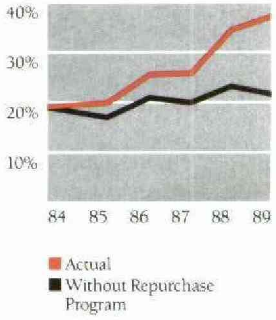
Since 1984, we have found our own common stock to be an excellent investment opportunity, and we have purchased 88.7 million shares at an average cost of approximately $37.80 per share. In 1989, we purchased 19.1 million shares, including 4.7 million as part of a new 20 million share program approved by our Board in October.

◀ Investing our resources in our core business is our first priority, and we put more than $1.4 billion into our system in Mexico and around the world in 1989.

Investing in our own stock offers the potential for a significantly higher long-term return than maintaining excess cash, which provides a relatively low after-tax return. Share repurchase also boosts earnings per share and return on equity while serving as a highly flexible vehicle for returning excess financial resources to shareholders.

Adhering to our strategy, we have earmarked for system investments and share repurchase much of the proceeds from the tender of our 49 percent stake in Columbia Pictures Entertainment. At its February 1990 meeting, our Board voted to recommend a two-for-one stock split to shareholders at the annual meeting in April.

Share Repurchase Program Effect
(On Income from Continuing Operations Available to Common Shareholders to Average Common Shareholders' Equity)




Only a Matter of Time
SPORT
BASEBALL

Look at the graph on this page. It depicts the future of The Coca-Cola Company. It shows, for example, that the per capita consumption rate for our products in Indonesia last year was about what it was in the United States in 1910. Even in Germany, one of our strongest markets, the current per capita consumption level barely exceeds the 1974 U.S. rate.

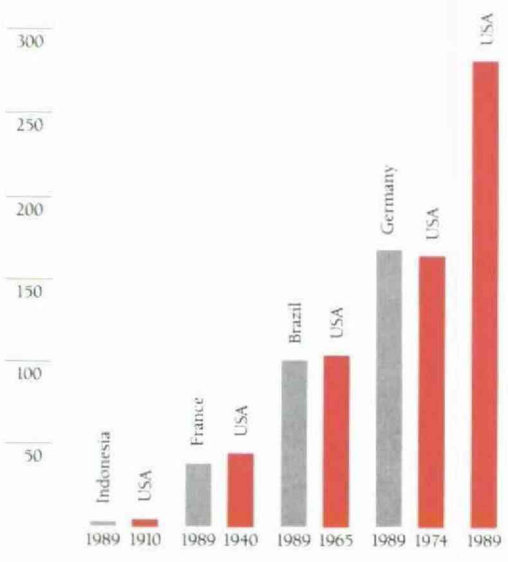
Our international opportunity is obvious, but the graph makes another point as well. As a market develops, as *any* market develops, people drink more soft drinks. It's only a matter of time. And the time it takes us to develop a market is growing shorter. We are today a far more aggressive, more experienced, more internationally oriented company than we were 20, or even 10, years ago. We are working more closely with our bottlers and customers, joining with them in the investments required to sustain double-digit growth into the next century.

The 1980s were an extraordinary decade for The Coca-Cola Company. Over the past 10 years, our worldwide soft drink gallon sales increased by 74 percent, and our earnings per share from continuing operations more than tripled. Reflecting the financial community's expectation of continued profitable growth, the price of our common stock increased almost sevenfold.

As we enter the 1990s, we are committed to increasing our global soft drink leadership, and to ensuring that the primary beneficiaries of our growth are the shareholders of The Coca-Cola Company.

Development of Selected Soft Drink Markets vs USA Historical Development

Per Capita Consumption of 8-Ounce Servings



√

Management's primary objective is to increase shareholder value over time. To accomplish this objective, The Coca-Cola Company and subsidiaries (the "Company") have developed a comprehensive business strategy that emphasizes maximizing long-term cash flow by expanding its global business system, improving sales volume and margins, investing in areas offering attractive returns, establishing appropriate business and financial structures, and divesting low-return, non-strategic assets with long-term economic value to the Company below the value of a present offer.

Management of Resources: A key element of the Company's strategy is to concentrate its resources in consumer markets that the Company can manage for competitive advantage, attractive returns and high growth in long-term cash flow. Management seeks investments that strategically enhance existing operations and offer long-term cash returns that exceed the Company's weighted average cost of capital. For investments with risk characteristics similar to the soft drink industry and assuming a net-debt-to-net-capital ratio ceiling of 35 percent, that cost of capital is estimated by management to be approximately 12 percent after taxes.

An important area for investment is the Company's principal business, soft drinks, which has a low capital requirement and offers a high return on investment. The relative state of development of the Company's business systems varies dramatically worldwide. Investments are required to expand less developed production and distribution systems to function at levels closer to those seen in more developed markets. Additional investments are required in more developed markets to increase capabilities by consolidating production and distribution networks and to invest in sales equipment. In 1989, the Company's capital expenditures totaled approximately $352 million in its soft drink sectors, $61 million in its foods sector and $49 million related to corporate operations.

The Company's emphasis on profitable growth is also reflected in its level of reinvestment in the form of increased advertising. Advertising costs increased to $888 million in 1989, compared to $842 million in 1988 and $720 million in 1987. These expenditures position and enhance the Company's products as industry leaders.

In October 1989, the Board of Directors approved a plan to repurchase up to 20 million shares of the Company's common stock by December 31, 1991. As of December 31, 1989, approximately 4.7 million shares had been repurchased under this program at an aggregate cost of approximately $348 million. The Company completed the 1987 40 million share repurchase program in the fourth quarter of 1989. In this program, 14.4 million shares, 19.0 million shares and 6.6 million shares were repurchased in 1989, 1988 and 1987, respectively. The repurchase programs were adopted after management determined that the Company's available cash and debt capacity exceeded the funds required in the near-term to support operations.

Business Structures: A key element of the Company's business structure philosophy is that businesses requiring different management focuses and needs should be operated with capital structures tailored to those characteristics and needs. In line with this philosophy, the Company has established and/or invested in approximately 40 companies that bottle, can and distribute Company products. The Company's intent is to maintain whatever ownership interest is appropriate (typically between 20 percent and 49 percent) in these operations. Such investments allow the Company to strengthen its worldwide bottling network while maintaining and developing capital structures more appropriate for these respective businesses. In August 1989, the Company acquired a 59.5 percent ownership interest in Coca-Cola Amatil Limited (Amatil), formerly AMATIL Limited, through a reorganization and tender. Amatil is an Australian-based, publicly traded bottler of Company products with businesses in snack foods, communications and packaging. The Company plans to reduce its ownership interest in Amatil below 50 percent. Other significant equity investments in publicly traded businesses that manufacture and distribute Company products include Coca-Cola Enterprises Inc. (CCE), T.C.C. Beverages Ltd. (TCC), carrying on business as Coca-Cola Beverages, and Coca-Cola Bottling Co. Consolidated.

The Company participates in bottler ownership changes to ensure the establishment of bottler managements that share goals consistent with those of the Company. This participation often includes temporary ownership of bottling companies, which are carried under the cost method until later sold. One significant temporary investment is Coca-Cola Holdings (Arkansas) Inc. (formerly Frank Lyon Company), the sole shareholder of Coca-Cola Bottling Company of Arkansas (CCBC of Arkansas), which includes bottling territories in Arkansas, Louisiana and Texas. This investment was acquired in July 1989. In January 1988, the Company purchased the Coca-Cola Bottling Company of Memphis, Tenn. which was subsequently sold along with substantially all of the bottling operations of The Coca-Cola Bottling Company of Southern Florida, Inc. to CCE. For additional information regarding these transactions, see Notes 13 and 14 to the consolidated financial statements.

Capital Structure: The Company utilizes prudent amounts of debt to lower its overall cost of capital and increase its total return to shareholders. The Company has established a net-debt-to-net-capital ratio target ceiling of 35 percent. At December 31, 1989, total debt, net of a temporary investment and excess cash, cash equivalents and current marketable securities, represented 17.7 percent of net capital. Excluding the finance subsidiary's debt and excess cash, the net-debt-to-net-capital ratio was 14.0 percent, resulting in additional borrowing capacity within the 35 percent target debt ceiling of approximately $1.3 billion. The Company envisions using such remaining borrowing capacity principally to fund investment opportunities that meet the Company's strategic and financial objectives and to fund the share repurchase program.

In the third quarter of 1988, the Company issued $300 million of Cumulative Money Market Preferred Stock. The dividend rates on this preferred stock ranged from 6.55 percent to 7.10 percent at December 31, 1989.

Dividends-Common Stock: With approval from the Board of Directors, management plans to maintain a cash common stock dividend payout ratio of approximately 40 percent of earnings available to common shareholders excluding the effects of significant non-recurring transactions. In 1989, the dividend payout ratio based on current year earnings available to common shareholders, excluding the after-tax effects of the gain on the sale of Columbia Pictures Entertainment, Inc. (CPE) and Belmont Springs Water Co., Inc. (Belmont Springs), was 41 percent. The annual cash common stock dividend was $1.36 per share, $1.20 per share and $1.12 per share in 1989, 1988 and 1987, respectively. In 1987, the Board of Directors approved a special dividend in-kind of CPE common stock, which, based on the Company's carrying value, equated to $.90 per common share of The Coca-Cola Company. At its February 1990 meeting, the Board of Directors increased the quarterly cash dividend per common share to $.40, equivalent to a full-year common dividend of $1.60 in 1990. This is the 28th consecutive year in which the Board of Directors has approved common stock dividend increases.

Management's Discussion and Analysis

Lines of Business

The Company operates in two major lines of business: soft drinks and juice-based beverages. Additionally, the Company has substantial equity investment positions in numerous soft drink bottling and canning operations. The Company also held a significant equity investment in CPE, an entertainment production and distribution business, until the sale of this investment in November 1989. CPE has been reported as a discontinued operation.

Soft Drinks: The soft drink business sectors manufacture and sell branded soft drink concentrates and syrups to independent and partially owned bottling and canning operations and approved wholesalers. The Company also owns and operates certain bottling and canning operations, principally outside the United States, which represent approximately 5 percent of international volume. In 1989, the Company acquired or made investments in 11 bottling and canning businesses. These purchases include a bottling, canning and distribution business in France and a 59.5 percent interest in Amatil. For additional information, see Notes 3 and 13 to the consolidated financial statements.

Foods: The foods business sector's principal business is processing and marketing citrus and other fruit juices and fruit drink products, primarily orange juice. The sector also sold bottled water, coffee and tea until the sale of those businesses in 1989. The sale of those businesses further demonstrates the Company's commitment to focus on its core businesses.

Operating Results

Soft Drinks: Worldwide revenues and operating income for the soft drink business sectors increased in 1989 and 1988 primarily because of gallon sales increases of 8 percent and 7 percent, respectively. Operating income growth in both years was also favorably affected by system efficiencies,

price increases and a more favorable product mix. The increase in 1989 was moderated by the exchange effects of a stronger dollar.

In the United States, gallon sales increased 2.5 percent in 1989 compared to an increase of 6 percent in 1988. The lower growth rate in 1989 is in line with an industry growth rate slowed by retail price increases and slower restaurant industry customer traffic. Approximately 67 percent of soft drink gallon sales was generated outside the United States in 1989 compared with 65 percent in 1988. Soft drink gallon sales outside the United States increased 10 percent in 1989 and 7 percent in 1988. International gallon sales increases in 1989 were led by 12 percent growth in Latin America, 11 percent growth in the European Community and 10 percent growth in the Pacific and Canada, while volume was up 5 percent in Northeast Europe and Africa. In 1988, international performance was led by strong results in the European Community and the Pacific and Canada where combined gallon sales advanced 13 percent and 12 percent, respectively, while in Northeast Europe and Africa volume increased 5 percent. In Latin America, 1988 volume increased slightly despite declining economic conditions.

Foods: Revenues in the foods business sector increased 5 percent in 1989 compared to 7 percent in 1988. The increase in 1989 was primarily due to volume increases in chilled orange juice, partially offset by the absence of bottled water, coffee and tea revenues following the sale of those businesses in 1989. Chilled orange juice volume increased 29 percent, enhanced by Minute Maid Premium Choice, a new product, which was introduced in certain markets in 1988 and now represents 11 percent of the pasteurized orange juice market in the United States. Frozen orange juice volume increased 10 percent despite industry consumption trends that continue to shift to the chilled orange juice segment. 1988 volume decreased in both the chilled and frozen concentrated orange juice categories consistent with industry trends. The increase in operating income in 1988 compared to 1987 was primarily attributable to the one-time restructuring charge recorded in 1987 coupled with lower levels of trade deals in 1988.

SELLING, ADMINISTRATIVE AND GENERAL EXPENSES

Selling expenses were $2.63 billion in 1989, $2.45 billion in 1988 and $2.11 billion in 1987. The increases were due primarily to higher marketing expenses in line with expansion of the business.

Administrative and general expenses increased 21 percent and 6.5 percent in 1989 and 1988, respectively. These increases were due to employee compensation-related expenses, primarily stock-related benefits. Administrative and general expenses, as a percentage of net operating revenues, increased to 8 percent in 1989 from 7 percent in 1988 and 1987.

INTEREST INCOME AND EXPENSE

Interest income in 1989 remained consistent with the previous year. Interest income decreased in 1988 due primarily to lower average invested balances.

Interest expense increased in 1989 due to higher average borrowings used primarily to finance the share repurchase program and to make major investments and

bottler acquisitions. This increase in average borrowings was partially offset by the reduction in short-term debt with proceeds from the sale of CPE stock in November 1989. Interest expense decreased in 1988 due principally to lower average borrowings, some of which relate to the issuance of $300 million of Cumulative Money Market Preferred Stock in the third quarter of 1988.

Equity Income

Equity income decreased $17 million in 1989 compared to 1988. This decrease resulted primarily from the Company's share of a $104 million pre-tax gain recorded by CCE in the fourth quarter of 1988 related to the sale of one of its bottling companies. This gain was partially offset by restructuring charges recorded by CCE in 1988 totaling $27 million before income taxes relating to provisions for planned relocation and consolidation of operations. Additionally, CCE earnings declined in 1989 due to increased interest expense, higher marketing costs and slower volume growth resulting from retail price increases. Equity income in 1989 was positively affected by equity earnings from Amatil related to the period subsequent to the date of investment and increased equity income from other bottling investments.

Other Income and Deductions

Other income (deductions)–net increased $38 million in 1989 compared to 1988. This increase was primarily due to net exchange gains in 1989 compared to net exchange losses in 1988.

The decrease in other income (deductions)–net in 1988 reflects net exchange losses in 1988 compared to net exchange gains in 1987. This decrease was partially offset by a pre-tax gain of $25 million in the first quarter of 1988 from the sale of the Company's interest in E-II Holdings Inc., a spin-off of BCI Holdings, Inc., which owns the Beatrice Company.

Gain on Sale of Belmont Springs

In August 1989, the Company sold Belmont Springs, a bottled water operation, resulting in a gain before income taxes of approximately $61 million. The after-tax gain was approximately $36 million or $.10 per common share.

Discontinued Operation

In November 1989, the Company sold its common and preferred stock investments in CPE for approximately $1.55 billion. The sale resulted in a gain before income taxes of approximately $930 million. On an after-tax basis, the gain was approximately $509 million or $1.47 per common share. CPE has been recorded as a discontinued operation and accordingly, the gain from the sale of CPE and the Company's equity income (loss) from CPE, through the date of sale, have been reported separately from continuing operations.

Liquidity and Capital Resources

On December 31, 1989, cash and cash equivalents totaled approximately $1,096 million, a decrease of $49 million compared to December 31, 1988. Major uses of cash were purchases of common stock for treasury, dividends, payments of debt, capital expenditures, equity investments and acquisitions of businesses. Primary sources of cash were from operations, issuances of debt, the sale of the

Company's investment in CPE, the sale of the Company's bottled water, coffee and tea businesses and the CCE share repurchase program.

The increase in prepaid expenses and other assets in 1989 reflects the purchase of CCBC of Arkansas for approximately $232 million, including assumed debt. Management intends to sell CCBC of Arkansas in 1990 and accordingly, this investment has been reported as a temporary investment.

Goodwill and other intangible assets increased approximately $175 million in 1989, due primarily to franchise rights obtained with the acquisition of a bottling, canning and distribution business in France.

The increase in accounts payable and accrued expenses in 1989 is due primarily to liabilities of a bottling, canning and distribution business in France acquired in 1989. Additionally, the Company has an account payable of approximately $108 million due to CCBC of Arkansas, a temporary investment acquired in 1989.

The increase in loans and notes payable in 1989 of approximately $165 million is principally due to additional funding used to finance the share repurchase program, equity investments and acquisitions of businesses. This increase was partially offset by cash received from the sale of the Company's investment in CPE.

The increase in accrued taxes of approximately $415 million in 1989 is primarily attributable to the income taxes incurred on the gain on the sale of the Company's equity interest in CPE.

In 1989, long-term debt (including current maturities) decreased approximately $308 million due primarily to the redemption of two $100 million debt issues in August and November 1989 and the repayment of a $100 million note which matured on August 1, 1989. On December 31, 1989, the Company held a Euroyen debt issue with a U.S. dollar equivalent of approximately $213 million, of which approximately $123 million was designated as a hedge against the Company's net investment in Coca-Cola (Japan) Company Ltd. At December 31, 1989, the Company held approximately $149 million of Eurobonds denominated in deutsche marks. A portion of such borrowings has been converted into Swiss and Belgian franc denominated obligations through swap arrangements. The Company has designated such borrowings as hedges against its net investments in those respective countries.

The Company aggressively manages its mix of short-term versus long-term debt to lower its overall cost of borrowing. This process, coupled with the accelerated share repurchase program, resulted in current liabilities exceeding current assets at December 31, 1989.

On December 31, 1988, cash and cash equivalents totaled approximately $1,145 million, a decrease of $238 million compared to December 31, 1987, resulting primarily from the repayment of short-term borrowings. Major uses of cash in 1988 were payments of debt, capital expenditures, investment activities, dividends and purchases of common stock for treasury.

The decrease in prepaid expenses and other assets of approximately $229 million in 1988 reflects the sale of substantially all of the bottling operations of The Coca-Cola Bottling Company of Southern Florida, Inc. (Miami CCBC), which was reported as a temporary investment in 1987.

The decrease in investment in CPE of approximately $391 million in 1988 was primarily attributable to the

special, one-time dividend of shares of CPE common stock in January 1988 and to recorded equity losses in 1988 of approximately $44 million.

In 1988, the decrease in loans and notes payable of approximately $617 million resulted primarily from cash received from the liquidation of the CPE notes receivable, the sale of substantially all of the bottling operations of Miami CCBC and the issuance of Cumulative Money Market Preferred Stock.

In 1988, the decrease in long-term debt (including current maturities) was principally due to a $100 million debt issue redeemed in November 1988 and other debt repayments. This decrease was partially offset by the issuance of deutsche mark denominated Eurobonds in March 1988, which had a U.S. dollar equivalent of approximately $141 million as of December 31, 1988. A portion of such borrowings was subsequently converted into Swiss and Belgian franc denominated obligations through swap arrangements.

The Company maintains cash, cash equivalents and current marketable securities substantially in excess of minimum operating requirements. The percentage of net-debt-to-net-capital was as follows:

December 31, 1989: 17.7% (net of an estimated $1,002 million of cash, cash equivalents and current marketable securities in excess of minimum operating requirements and a $232 million temporary investment). Excluding the finance subsidiary's debt and excess cash, the net-debt-to-net-capital ratio was 14.0 percent.

December 31, 1988: 24.3% (net of an estimated $1,050 million of cash, cash equivalents and current marketable securities in excess of minimum operating requirements).

The Company maintains credit lines at various financial institutions. On December 31, 1989, the unused portion of these credit lines was $837 million.

Capital expenditures in 1989, 1988 and 1987 were $462 million, $387 million and $304 million, respectively, and related principally to facility construction, capacity expansion and purchase of fixed assets for improved efficiency.

International Operations

The Company distributes its products in more than 160 countries and uses approximately 40 functional currencies. The U.S. dollar is used as the functional currency in countries considered to have hyperinflationary economies, such as Brazil and Mexico.

Approximately 77 percent of total operating income in 1989 was generated outside the United States. Management estimates that the average annual exchange rates of selected key foreign hard currencies compared to the U.S. dollar decreased by an average of 6 percent in 1989 and increased by an average of 10 percent in 1988. Percentage increases (decreases) in average exchange rates relative to the U.S. dollar for several of the selected foreign currencies are as follows:

	1989	1988	1987
Australia	**1%**	12%	5%
Germany	**(6%)**	2%	20%
Italy	**(5%)**	(1%)	15%
Japan	**(7%)**	12%	16%
United Kingdom	**(9%)**	9%	11%

Exchange effects [net gains or (losses) on foreign currency transactions and translation of balance sheet accounts for operations in countries for which the U.S. dollar serves as the functional currency] recorded in other income were $20 million in 1989, $(13) million in 1988 and $35 million in 1987.

The Company's debt that is denominated in currencies other than the U.S. dollar is generally designated as hedges of the Company's net investments in those respective countries. In addition, the Company engages in various hedging activities to minimize potential losses on cash flows denominated in foreign currencies and to offset foreign exchange movements on firm commitments and certain other transactions where the potential for loss exists.

IMPACT OF NEW ACCOUNTING STANDARDS

The Financial Accounting Standards Board has issued Statement of Financial Accounting Standards (SFAS) No. 103, which defers the required adoption date of SFAS 96, "Accounting for Income Taxes," until fiscal years beginning after December 15, 1991. The Company currently intends to adopt SFAS 96 as of January 1, 1992. Based on preliminary studies and evaluations, the adoption of SFAS 96 is not expected to have a material impact on the Company's financial position.

IMPACT OF INFLATION AND CHANGING PRICES

Although inflation has slowed in the United States in recent years, it is still a factor in many of the Company's markets around the world, and the Company continues to seek ways to cope with its impact. Foreign currency exchange rates tend to reflect over time the difference in relative inflation rates. The Company's financial statements, prepared in accordance with generally accepted accounting principles, reflect the historical cost rather than the current or replacement cost of assets required to maintain productive capability. Income from continuing operations determined under the specific price changes method (current cost) would be less than reported in the primary financial statements.

In periods of inflation, monetary assets, such as cash and accounts receivable, lose purchasing power while monetary liabilities, such as accounts payable and debt, gain purchasing power. The Company has benefited from its net monetary liability position in recent years resulting in net purchasing power gains. These gains do not represent an increase in funds available for distribution to share-holders and do not necessarily imply that incurring more debt would be beneficial to the Company.

In general, management believes that the Company is able to adjust prices to compensate for increasing costs and to generate sufficient cash flow to maintain its productive capability.

ADDITIONAL INFORMATION

For additional information concerning the Company's operations, cash flow, liquidity and capital sources, this analysis should be read in conjunction with the information on pages 44 through 60 of this Annual Report. Additional information concerning operations in different industries and geographic areas is presented on pages 57 and 58.

Selected Financial Data
(In millions except per share data)

Year Ended December 31,	**1989**	1988	1987
Summary of Operations (a) (b)			
Net operating revenues	**$8,966**	$8,338	$7,658
Cost of goods sold	**3,892**	3,702	3,633
Gross profit	**5,074**	4,636	4,025
Selling, administrative and general expenses	**3,348**	3,038	2,665
Provisions for restructured operations and disinvestment	**–**	–	36
Operating income	**1,726**	1,598	1,324
Interest income	**205**	199	232
Interest expense	**308**	230	297
Equity income	**75**	92	64
Other	**66**	(33)	40
Income from continuing operations before income taxes	**1,764**	1,626	1,363
Income taxes	**571**	537	496
Income from continuing operations	**$1,193**	$1,089	$ 867
Net income	**$1,724**	$1,045	$ 916
Preferred stock dividends	**22**	7	–
Net income available to common shareholders	**$1,702(c)**	$1,038	$ 916
Per Common Share Data (a) (d)			
Income from continuing operations	**$ 3.39**	$ 2.97	$ 2.30
Net income	**4.92(c)**	2.85	2.43
Cash dividends	**1.36**	1.20	1.12
Year-End Position			
Cash, cash equivalents and marketable securities	**$1,182**	$1,231	$1,489
Property, plant and equipment – net	**2,021**	1,759	1,602
Total assets	**8,283**	7,451	8,606
Long-term debt	**549**	761	909
Total debt	**1,981**	2,124	2,995
Shareholders' equity	**3,485**	3,345	3,187
Total capital (e)	**5,466**	5,469	6,182
Financial Ratios			
Income from continuing operations available to common shareholders to average common shareholders' equity	**37.6%**	34.7%	26.0%
Income from continuing operations before interest expense to average total capital	**25.6%**	21.3%	18.3%
Total-debt-to-total-capital	**36.2%**	38.8%	48.4%
Net-debt-to-net-capital (f)	**17.7%**	24.3%	21.1%
Common stock dividend cash payout	**27.6%(g)**	42.1%	46.1%
Other Data			
Average common shares outstanding (d)	**346**	365	377
Capital expenditures	**$ 462**	$ 387	$ 304
Depreciation	**181**	167	152
Market price per common share at December 31 (d)	**77.25**	44.63	38.13

(a) Operating results have been restated to report the Company's equity income (loss) from CPE, which was sold in November 1989, as a discontinued operation.

(b) In 1982, the Company adopted SFAS No. 52, "Foreign Currency Translation."

(c) Net income available to common shareholders in 1989 includes an after-tax gain of $509 million ($1.47 per common share) from the sale of the Company's equity interest in CPE and an after-tax gain of $36 million ($.10 per common share) from the sale of the Company's bottled water business. Excluding these gains, net income available to common shareholders was $1,157 million, while net income per common share was $3.35.

1986	1985	1984	1983	1982	1981	1980	1979
$6,977	$5,879	$5,442	$5,056	$4,760	$4,836	$4,640	$3,895
3,454	2,909	2,738	2,580	2,472	2,675	2,594	2,101
3,523	2,970	2,704	2,476	2,288	2,161	2,046	1,794
2,446	2,163	1,855	1,648	1,515	1,441	1,366	1,150
180	–	–	–	–	–	–	–
897	807	849	828	773	720	680	644
154	151	133	90	119	85	56	46
208	196	128	77	76	34	30	10
45	52	42	35	25	20	14	18
410	69	13	2	11	(20)	(13)	(7)
1,298	883	909	878	852	771	707	691
471	314	360	374	379	339	313	305
$ 827	$ 569	$ 549	$ 504	$ 473	$ 432	$ 394	$ 386
$ 934	$ 722	$ 629	$ 559	$ 512	$ 482	$ 422	$ 420
–	–	–	–	–	–	–	–
$ 934	$ 722	$ 629	$ 559	$ 512	$ 482	$ 422	$ 420
$ 2.14	$ 1.45	$ 1.38	$ 1.23	$ 1.21	$ 1.17	$ 1.06	$ 1.04
2.42	1.84	1.59	1.37	1.32	1.30	1.14	1.13
1.04	.99	.92	.89	.83	.77	.72	.65
$ 895	$ 843	$ 768	$ 559	$ 254	$ 344	$ 235	$ 153
1,538	1,483	1,284	1,247	1,233	1,160	1,045	976
7,675	6,341	5,241	4,540	4,212	3,373	3,152	2,710
996	801	631	428	423	132	121	22
1,848	1,280	1,310	520	493	227	213	130
3,479	2,948	2,751	2,912	2,779	2,271	2,075	1,919
5,327	4,228	4,061	3,432	3,272	2,498	2,288	2,049
25.7%	20.0%	19.4%	17.7%	18.7%	19.9%	19.7%	21.1%
20.1%	16.8%	16.7%	16.4%	17.9%	18.8%	18.9%	20.3%
34.7%	30.3%	32.3%	15.2%	15.1%	9.1%	9.3%	6.3%
15.5%	18.7%	20.8%	5.6%	13.6%	2.9%	7.7%	6.3%
43.0%	53.8%	57.9%	65.0%	62.9%	59.2%	63.2%	57.5%
387	393	396	408	390	372	372	372
$ 346	$ 412	$ 300	$ 324	$ 273	$ 279	$ 241	$ 309
151	130	119	111	104	94	87	77
37.75	28.17	20.79	17.83	17.33	11.58	11.13	11.50

(d) Adjusted for a three-for-one stock split in 1986.

(e) Shareholders' equity plus total debt.

(f) Net debt and net capital exclude temporary investments and excess cash, cash equivalents and marketable securities in excess of minimum operating requirements.

(g) The dividend payout ratio in 1989, excluding the after-tax effects of the gain on sale of CPE and Belmont Springs, was 41 percent.

Consolidated Balance Sheets

(In thousands except share data)

December 31,	**1989**	1988
Assets		
Current		
Cash and cash equivalents	**$1,096,020**	$1,145,346
Marketable securities, at cost (approximates market)	**85,671**	85,844
	1,181,691	1,231,190
Trade accounts receivable, less allowances of $14,347 in 1989 and $14,616 in 1988	**768,335**	627,248
Finance subsidiary–receivables	**52,093**	156,728
Inventories	**789,077**	778,816
Prepaid expenses and other assets	**812,304**	451,450
Total Current Assets	**3,603,500**	3,245,432
Investments and Other Assets		
Investments in affiliates		
Coca-Cola Enterprises Inc.	**695,195**	733,295
Coca-Cola Amatil Limited	**524,931**	–
Other, principally bottling companies	**710,297**	580,619
Columbia Pictures Entertainment, Inc.	**–**	598,059
Finance subsidiary–receivables and investments	**140,520**	167,689
Long-term receivables and other assets	**354,881**	309,897
	2,425,824	2,389,559
Property, Plant and Equipment		
Land	**146,482**	116,726
Buildings and improvements	**950,251**	853,252
Machinery and equipment	**1,890,960**	1,645,652
Containers	**307,012**	293,277
	3,294,705	2,908,907
Less allowances for depreciation	**1,273,486**	1,149,832
	2,021,219	1,759,075
Goodwill and Other Intangible Assets	**231,993**	56,546
	$8,282,536	$7,450,612

December 31,	**1989**	1988
Liabilities and Shareholders' Equity		
Current		
Accounts payable and accrued expenses	**$1,386,516**	$1,080,970
Loans and notes payable		
Finance subsidiary	**184,691**	253,628
Other	**1,234,617**	1,000,896
Current maturities of long-term debt	**12,858**	108,915
Accrued taxes–including income taxes	**839,248**	424,488
Total Current Liabilities	**3,657,930**	2,868,897
Long-Term Debt		
Finance subsidiary	**–**	41,584
Other	**548,708**	719,475
	548,708	761,059
Other Liabilities	**294,358**	205,702
Deferred Income Taxes	**296,055**	269,652
Shareholders' Equity		
Preferred stock, $1 par value– Authorized: 100,000,000 shares; 3,000 shares of Cumulative Money Market Preferred Stock issued and outstanding, stated at aggregate liquidation preference	**300,000**	300,000
Common stock, $1 par value– Authorized: 700,000,000 shares; Issued: 418,909,789 shares in 1989; 417,394,567 shares in 1988	**418,910**	417,395
Capital surplus	**437,324**	380,264
Reinvested earnings	**5,618,312**	4,385,142
Unearned restricted stock issued for future services	**(45,892)**	(51,467)
Foreign currency translation adjustment	**(7,206)**	(17,010)
	6,721,448	5,414,324
Less treasury stock, at cost (81,894,886 common shares in 1989; 62,606,056 common shares in 1988)	**3,235,963**	2,069,022
	3,485,485	3,345,302
	$8,282,536	$7,450,612

See Notes to Consolidated Financial Statements.

Consolidated Statements of Income

(In thousands except per share data)

Year Ended December 31,	**1989**	1988	1987
Net Operating Revenues	**$8,965,786**	$8,337,831	$7,658,341
Cost of goods sold	**3,892,069**	3,701,472	3,633,159
Gross Profit	**5,073,717**	4,636,359	4,025,182
Selling, administrative and general expenses	**3,347,932**	3,038,058	2,665,022
Provisions for restructured operations	**–**	–	36,370
Operating Income	**1,725,785**	1,598,301	1,323,790
Interest income	**205,035**	199,333	232,032
Interest expense	**308,034**	230,513	296,772
Equity income	**75,490**	92,542	64,393
Other income (deductions)—net	**4,847**	(33,243)	531
Gain on sale of Belmont Springs Water Co., Inc.	**61,187**	–	–
Gain on sale of stock by T.C.C. Beverages Ltd.	**–**	–	39,654
Income from Continuing Operations Before Income Taxes	**1,764,310**	1,626,420	1,363,628
Income taxes	**571,471**	537,434	496,348
Income from Continuing Operations	**1,192,839**	1,088,986	867,280
Equity income (loss) from discontinued operation	**21,537**	(44,283)	48,856
Gain on sale of discontinued operation (net of income taxes of $421,021)	**509,449**	–	–
Net Income	**1,723,825**	1,044,703	916,136
Preferred stock dividends	**21,392**	6,426	–
Net Income Available to Common Shareholders	**$1,702,433**	$1,038,277	$ 916,136
Income (Loss) Per Common Share			
Continuing operations	**$ 3.39**	$ 2.97	$ 2.30
Discontinued operation	**1.53**	(0.12)	0.13
Net Income Per Common Share	**$ 4.92**	$ 2.85	$ 2.43
Average Common Shares Outstanding	**345,981**	364,612	377,372

See Notes to Consolidated Financial Statements.

Consolidated Statements of Shareholders' Equity

(In thousands except per share data)

Three Years Ended December 31, 1989	Preferred Stock	Common Stock	Capital Surplus	Reinvested Earnings	Unearned Restricted Stock	Foreign Currency Translation	Treasury Stock
Balance December 31, 1986		$414,492	$299,345	$3,624,046	$(35,888)	$(118,087)	$(704,817)
Sales to employees exercising stock options		1,307	23,364	–	–	–	566
Tax benefit from employees' stock option plans		–	8,207	–	–	–	–
Translation adjustments (net of income taxes of $3,394)		–	–	–	–	113,840	–
Stock issued under Restricted Stock Award Plan, less amortization of $6,330		178	7,678	–	(1,526)	–	–
Purchase of common stock for treasury		–	–	–	–	–	(605,110)
Net income		–	–	916,136	–	–	–
Cash dividends							
Common (per share – $1.12)		–	–	(421,540)	–	–	–
In-kind dividends (per common share – $.90)		–	–	(335,017)	–	–	–
Balance December 31, 1987		415,977	338,594	3,783,625	(37,414)	(4,247)	(1,309,361)
Sales to employees exercising stock options		906	18,880	–	–	–	(1,459)
Tax benefit from employees' stock option plans		–	5,491	–	–	–	–
Translation adjustments (net of income taxes of $19)		–	–	–	–	(12,763)	–
Stock issued under Restricted Stock Award Plan, less amortization of $7,884		512	21,424	–	(14,053)	–	–
Purchase of common stock for treasury		–	–	–	–	–	(758,202)
Preferred stock issued	$300,000	–	(4,125)	–	–	–	–
Net income	–	–	–	1,044,703	–	–	–
Cash dividends							
Preferred	–	–	–	(6,426)	–	–	–
Common (per share – $1.20)	–	–	–	(436,760)	–	–	–
Balance December 31, 1988	300,000	417,395	380,264	4,385,142	(51,467)	(17,010)	(2,069,022)
Sales to employees exercising stock options	–	1,481	39,914	–	–	–	(3,804)
Tax benefit from employees' stock option and restricted stock plans	–	–	14,811	–	–	–	–
Translation adjustments (net of income taxes of $900)	–	–	–	–	–	9,804	–
Stock issued under Restricted Stock Award Plan, less amortization of $7,944	–	34	2,335	–	5,575	–	–
Purchase of common stock for treasury	–	–	–	–	–	–	(1,163,137)
Net income	–	–	–	1,723,825	–	–	–
Cash dividends							
Preferred	–	–	–	(21,392)	–	–	–
Common (per share – $1.36)	–	–	–	(469,263)	–	–	–
Balance December 31, 1989	$300,000	$418,910	$437,324	$5,618,312	$(45,892)	$ (7,206)	$(3,235,963)

See Notes to Consolidated Financial Statements.

Consolidated Statements of Cash Flows
(In thousands)

Year Ended December 31,	**1989**	1988	1987
Operating Activities			
Net income	**$1,723,825**	$1,044,703	$ 916,136
Depreciation and amortization	**183,765**	169,768	154,525
Deferred income taxes	**37,036**	43,915	(27,005)
Equity income, net of dividends	**(76,088)**	(35,758)	(79,667)
Net unrealized loss (gain) on exchange	**(31,043)**	27,945	(12,958)
Gain on sale of businesses before income taxes	**(1,006,664)**	–	–
Gain on sale of stock by T.C.C. Beverages Ltd.	**–**	–	(39,654)
Provisions for restructured operations	**–**	–	36,370
Net change in operating assets and liabilities	**279,382**	(83,736)	263,941
Net cash provided by operating activities	**1,110,213**	1,166,837	1,211,688
Investing Activities			
Additions to finance subsidiary receivables and investments	**(57,006)**	(172,866)	(131,665)
Collections of finance subsidiary receivables and investments	**188,810**	145,358	71,492
Purchases of investments and other assets	**(858,510)**	(128,526)	(339,248)
Proceeds from disposals of investments and other assets	**126,850**	77,049	53,559
Proceeds from sale of businesses	**1,680,073**	–	–
Decrease (increase) in marketable securities	**(3,889)**	19,702	32,455
Purchases of property, plant and equipment	**(462,466)**	(386,757)	(303,545)
Proceeds from disposals of property, plant and equipment	**60,665**	43,332	124,504
Decrease (increase) in temporary investments and other	**(120,649)**	207,721	303,435
Collection of notes receivable – Columbia Pictures Entertainment, Inc.	**–**	544,889	–
Net cash provided by (used in) investing activities	**553,878**	349,902	(189,013)
Net cash provided by operations after reinvestment	**1,664,091**	1,516,739	1,022,675
Financing Activities			
Due to Columbia Pictures Entertainment, Inc.	**–**	–	(576,741)
Issuances of debt	**336,370**	140,929	1,074,269
Payments of debt	**(410,690)**	(992,527)	(4,628)
Preferred stock issued	**–**	300,000	–
Common stock issued (includes treasury)	**41,395**	29,035	39,774
Purchase of common stock for treasury	**(1,166,941)**	(759,661)	(605,110)
Cash dividends (common and preferred)	**(490,655)**	(443,186)	(421,540)
Net cash used in financing activities	**(1,690,521)**	(1,725,410)	(493,976)
Effect of Exchange Rate Changes on Cash	**(22,896)**	(29,543)	93,087
Cash and Cash Equivalents			
Net increase (decrease) during the year	**(49,326)**	(238,214)	621,786
Balance at beginning of year	**1,145,346**	1,383,560	761,774
Balance at end of year	**$1,096,020**	$1,145,346	$1,383,560

See Notes to Consolidated Financial Statements.

1. Accounting Policies. The major accounting policies and practices followed by the Company and its subsidiaries are as follows:

Consolidation: The consolidated financial statements include the accounts of the Company and all subsidiaries where control is not temporary. The Company's investments in companies in which it has the ability to exercise significant influence over operating and financial policies are accounted for on the equity method. Accordingly, the Company's share of the earnings of these companies is included in consolidated net income. The Company's investments in other companies, including investments where control is temporary, are carried at cost. All significant intercompany accounts and transactions are eliminated in consolidation.

Certain amounts in the 1988 and 1987 financial statements have been reclassified to conform to the current year presentation.

Net Income Per Common Share: Net income per common share is computed by dividing net income less dividends on preferred stock by the weighted average number of common shares outstanding.

Cash Equivalents: Marketable securities that are highly liquid and have maturities of three months or less at the date of purchase are classified as cash equivalents.

Inventories: Inventories are valued at the lower of cost or market. In general, inventories are valued on the basis of average cost or first-in, first-out (FIFO) methods. However, certain soft drink and citrus inventories are valued on the last-in, first-out (LIFO) method. The excess of current costs over LIFO stated values amounted to approximately $34 million and $30 million at December 31, 1989 and 1988, respectively.

Property, Plant and Equipment: Property, plant and equipment is stated at cost, less allowance for depreciation. Depreciation expense is determined principally by the straight-line method. The annual rates of depreciation are 2 percent to 10 percent for buildings and improvements and 7 percent to 34 percent for machinery, equipment and containers.

Goodwill and Other Intangible Assets: Goodwill and other intangible assets are stated on the basis of cost and, if acquired subsequent to October 31, 1970, are being amortized, principally on a straight-line basis, over the estimated future periods to be benefited (not exceeding 40 years). Accumulated amortization was approximately $3 million at December 31, 1989 and 1988.

Income Taxes: All income tax amounts and balances have been computed in accordance with APB Opinion No. 11, "Accounting for Income Taxes."

2. Inventories consist of the following (in thousands):

December 31,	**1989**	1988
Finished goods	**$304,150**	$297,850
Work in process	**22,240**	7,113
Raw materials and supplies	**462,687**	473,853
	$789,077	$778,816

3. Investments in and Advances to Affiliated Companies. *Coca-Cola Enterprises Inc.* (CCE) is the largest bottler of Company products in the United States. The Company owns approximately 49 percent of the outstanding common stock of CCE and accordingly, accounts for its investment under the equity method of accounting. A summary of financial information for CCE is as follows (in thousands):

	December 29, 1989	December 30, 1988
Current assets	**$ 493,387**	$ 488,462
Noncurrent assets	**4,238,559**	4,180,745
Total assets	**$4,731,946**	$4,669,207
Current liabilities	**$ 996,122**	$ 550,121
Noncurrent liabilities	**2,055,687**	2,310,709
Total liabilities	**$3,051,809**	$2,860,830
Net assets	**$1,680,137**	$1,808,377
Company equity investment	**$ 695,195**	$ 733,295

Year Ended	**December 29, 1989**	December 30, 1988	January 1, 1988
Net operating revenues	**$3,881,947**	$3,874,445	$3,329,134
Cost of goods sold	**2,313,032**	2,268,038	1,916,724
Gross profit	**$1,568,915**	$1,606,407	$1,412,410
Income before income taxes	**$ 137,931**	$ 267,721	$ 172,775
Net income available to common shareholders	**$ 53,507**	$ 142,719	$ 88,372
Company equity income	**$ 26,218**	$ 63,757	$ 43,302

Net syrup/concentrate and sweetener sales to CCE were $764 million in 1989, $714 million in 1988 and $606 million in 1987. The Company also provides certain administrative and other services to CCE under negotiated fee arrangements. The Company engages in a wide range of marketing programs, media advertising and other similar arrangements to promote the sale of Company products in territories in which CCE operates. The Company's direct support for certain CCE marketing activities and participation with CCE in cooperative advertising and other marketing programs, net of fees charged for services provided, amounted to approximately $178 million in 1989, $163 million in 1988 and $133 million in 1987.

In December 1988, CCE sold one of its bottling subsidiaries and recorded a pre-tax gain of approximately $104 million. The purchaser was a bottling company that is 22 percent-owned by the Company. In October 1988, CCE initiated a share repurchase program for up to 25 million shares of its common stock. The Company is participating in this repurchase program and has entered into an agreement with CCE whereby the Company will sell a sufficient number of its CCE shares such that its continuing ownership interest will remain at approximately 49 percent. In connection with this agreement, the Company sold 3 million shares to CCE in 1989 for aggregate proceeds of approximately $49 million. In 1988, the Company received $77 million for the sale of 5.3 million shares to CCE. When CCE completed the purchase of 5.3 million shares from public shareholders in 1989, an adjusting payment was received from CCE for approximately $13 million. This amount represented the difference between the aggregate proceeds paid to the Company and the aggregate proceeds paid to the public shareholders, net of commissions paid by CCE, in accordance with the repurchase agreement.

Based on the closing price on the New York Stock Exchange, the market value of the Company's investment in CCE at December 31, 1989, was approximately $965 million.

Other Equity Investments: In August 1989, through a reorganization and tender, the Company acquired 59.5 percent of the outstanding common stock of Coca-Cola Amatil Limited (Amatil), formerly AMATIL Limited, for an aggregate purchase price of approximately $491 million including certain acquisition-related costs. Amatil is an Australian-based bottler of Company products with businesses in snack foods, communications and packaging. Amatil operates in Australia, New Zealand, Asia and Europe. The Company intends to reduce its ownership interest in Amatil below 50 percent and accordingly, the investment has been accounted for under the equity method of accounting. The excess of the Company's investment over its equity in the underlying net assets of Amatil was approximately $407 million, which is being amortized primarily over 40 years.

In January 1989, the Company received $2 million and 1.1 million shares of common stock of Coca-Cola Bottling Co. Consolidated (Consolidated) in exchange for 100 percent of the common stock of a bottling company which had been accounted for as a temporary investment. Such shares, with a carrying value of approximately $43 million, increased the Company's ownership interest in Consolidated from 20 percent to approximately 30 percent. In June 1987, the Company acquired approximately 1.6 million common shares of previously unissued common stock of Consolidated, a 20 percent ownership interest, for approximately $63 million.

In September 1987, T.C.C. Beverages Ltd. (TCC), a Canadian bottling company composed of substantially all of the Company-owned bottling operations in Canada, completed an initial public offering of 51 percent of its stock. The Company recognized a non-cash gain of approximately $40 million as a result of this transaction. TCC is carrying on business as Coca-Cola Beverages.

In June 1987, the Company purchased 2,219 shares of previously unissued common shares of Johnston Coca-Cola Bottling Group, Inc. (Johnston) for approximately $54 million, which increased the Company's ownership interest to approximately 22 percent.

In January 1987, the Company contributed its Great Britain bottling and canning assets to a corporate joint venture in which the Company owns a 49 percent common equity interest.

Operating results include the Company's equity income from affiliated companies since dates of investment. A summary of financial information for the Company's equity investments in bottling companies mentioned above and other equity investees, none of which are individually significant, follows (in thousands):

December 31,	**1989**	1988
Current assets	**$1,504,051**	$ 926,829
Noncurrent assets	**3,441,552**	1,953,703
Total assets	**$4,945,603**	$2,880,532
Current liabilities	**$1,666,205**	$ 857,606
Noncurrent liabilities	**1,947,918**	1,166,597
Total liabilities	**$3,614,123**	$2,024,203
Net assets	**$1,331,480**	$ 856,329
Company equity investments	**$1,157,363**	$ 484,698

Year Ended December 31,	**1989**	1988	1987
Net operating revenues	**$5,598,946**	$3,673,640	$1,810,244
Cost of goods sold	**3,633,647**	2,412,869	1,110,568
Gross profit	**$1,965,299**	$1,260,771	$ 699,676
Income before income taxes	**$ 199,255**	$ 114,599	$ 27,240
Net income	**$ 123,752**	$ 66,445	$ 17,712
Company equity income	**$ 49,272**	$ 28,785	$ 13,506

The market value of the Company's equity investments in publicly traded bottling companies, excluding CCE, exceeded the Company's carrying value at December 31, 1989, by approximately $47 million.

The balance sheet caption "Other, principally bottling companies" also includes various investments that are carried at cost.

4. Finance Subsidiary. Coca-Cola Financial Corporation (CCFC) provides loans and other forms of financing to Coca-Cola bottlers and customers for the acquisition of sales-related equipment and for other business purposes. The approximate contractual maturities of finance receivables for the five years succeeding December 31, 1989, are as follows (in thousands):

1990	$52,093
1991	31,936
1992	25,957
1993	14,190
1994	7,157

These amounts do not reflect possible prepayments or renewals. Finance receivables include amounts due from Johnston of $59 million and $167 million at December 31, 1989 and 1988, respectively. Johnston is an equity investment of the Company.

5. Short-term Borrowings and Credit Arrangements. Loans and notes payable consist of commercial paper and notes payable to banks and other financial institutions.

Under lines of credit and other credit facilities for short-term debt with various financial institutions, the Company may borrow up to $925 million. These lines of credit are subject to normal banking terms and conditions. At December 31, 1989, the unused portion of the credit lines was $837 million, of which $605 million was available to support commercial paper borrowings. Some of the financial arrangements require compensating balances which are not material.

6. Accrued Taxes are composed of the following amounts (in thousands):

December 31,	**1989**	1988
Income taxes	**$750,753**	$357,614
Sales, payroll and miscellaneous taxes	**88,495**	66,874
	$839,248	$424,488

7. Long-term Debt consists of the following amounts (in thousands):

December 31,	**1989**	1988
11⅜% notes due November 28, 1991	**$ 85,675**	$ 85,675
9⅞% series B notes due November 26, 1992	**31,034**	–
5¾% notes due April 24, 1996	**212,623**	240,641
5¾% notes due March 25, 1998	**148,854**	140,929
12¾% notes due August 1, 1989	–	98,786
9⅞% notes redeemed on August 1, 1989	–	87,907
9⅞% series A notes redeemed on November 26, 1989	–	100,000
Coca-Cola Financial Corporation	–	41,584
Other	**83,380**	74,452
	561,566	869,974
Less current portion	**12,858**	108,915
	$548,708	$761,059

Notes outstanding at December 31, 1989, were issued outside the United States and are redeemable at the Company's option under certain conditions related to U.S. and foreign tax laws. The 9⅞ percent series A notes redeemed on November 26, 1989, were issued with detachable warrants that granted the holder the right to receive additional notes bearing the same interest rate and maturing in 1992. The 9⅞ percent series B notes due November 26, 1992, were issued upon the exercise of the warrants. The 5¾ percent notes due April 24, 1996, of which $123 million has been designated as a hedge against the Company's net investment in Coca-Cola (Japan) Company, Ltd. at December 31, 1989, are denominated in Japanese yen. The 5¾ percent notes due March 25, 1998, are denominated in deutsche marks. Portions of such notes have been swapped for Swiss and Belgian franc denominated liabilities. The Company has designated such borrowings as hedges against its net investments in those respective countries.

Other long-term debt consists of various mortgages and notes with maturity dates ranging from 1990 to 2013. Interest on a portion of this debt varies with the changes in the prime rate, and the weighted average interest rate applicable to the remainder is approximately 12.7 percent.

Maturities of long-term debt for the five years succeeding December 31, 1989, are as follows (in thousands):

1990	$12,858
1991	96,673
1992	46,839
1993	11,581
1994	11,827

The above notes include various restrictions, none of which are presently significant to the Company.

The Company is contingently liable for guarantees of indebtedness owed by some of its independent bottling licensees ($96 million), and others, totaling approximately $115 million at December 31, 1989. In addition, the Company has guaranteed the collection of certain accounts receivable and contract rights sold by CPE with recourse that had uncollected balances of approximately $25 million at December 31, 1989; CPE has agreed to indemnify the Company against losses, if any, which could arise from such guarantees.

8. Preferred Stock. On September 7, 1988, the Company issued four series of non-voting Cumulative Money Market Preferred Stock (MMP), consisting of 750 shares each. All shares were issued at a price of $100,000 per share. Dividends, which are cumulative, are generally determined every 49 days through auction procedures. Weighted average dividend rates (per annum) were as follows:

Series	Weighted Average Dividend Rate Year Ended December 31,	
	1989	1988
A	**7.10%**	6.52%
B	**7.08%**	6.51%
C	**7.03%**	6.77%
D	**6.98%**	6.81%

The shares of MMP of each series are redeemable on the second business day preceding any dividend payment date at the option of the Company, as a whole or in part, at $100,000 per share plus accrued dividends.

9. Common Stock. The number of common stock shares outstanding and related changes for the three years ended December 31, 1989, are as follows (in thousands):

	1989	1988	1987
Stock outstanding at January 1,	**354,789**	372,356	385,011
Stock issued to employees exercising stock options	**1,481**	906	1,339
Stock issued under Restricted Stock Award Plan	**34**	512	178
Purchase of common stock for treasury	**(19,289)**	(18,985)	(14,172)
Stock outstanding at December 31,	**337,015**	354,789	372,356

10. Stock Options and Other Stock Plans. The 1989 and amended 1983 Restricted Stock Award Plans provide that 5,000,000 and 3,000,000 shares of restricted common stock, respectively, may be granted to certain officers and key employees of the Company. Shares issued under the 1983 plan are subject to forfeiture if the employee leaves the Company for reasons other than death, disability or retirement prior to a change of control in the Company and may not be transferred by the employee prior to the occurrence of one of these events. The employee receives dividends on the shares and may vote the shares. Within 60 days of the date of death, disability or retirement of the employee and immediately upon a change of control in the Company, the Company will pay the employee an amount equal to the federal, state and local taxes incurred by the employee as a result of the stock award. Shares granted were 34,000 shares, 511,500 shares and 178,500 shares in 1989, 1988 and 1987, respectively. At December 31, 1989, 5,000,000 and 401,000 shares were available to be granted under the 1989 and amended 1983 Restricted Stock Award Plans, respectively.

The Company's 1987 Stock Option Plan covers 8,000,000 shares of the Company's common stock. The Plan provides for the granting of stock appreciation rights and stock options to certain officers and employees. The stock appreciation rights permit the holder, upon surrendering all or part of the related stock option, to receive cash, common stock or a combination thereof, in an amount up to 100 percent of the difference between

the market price and the option price. Included in options outstanding at December 31, 1989, were various options granted under previous plans and other options granted not as a part of an option plan.

Further information relating to options is as follows:

	1989	1988	1987
Options outstanding at January 1,	**8,657,790**	5,610,347	6,065,924
Options granted in the year	**15,900**	4,182,950	1,111,850
Options exercised in the year	**(1,481,228)**	(905,598)	(1,339,584)
Options cancelled in the year	**(440,436)**	(229,909)	(227,843)
Options outstanding at December 31,	**6,752,026**	8,657,790	5,610,347
Options exercisable at December 31,	**4,280,423**	3,413,083	3,168,149
Shares available at December 31, for options which may be granted	**3,321,308**	3,258,451	7,539,184
Option prices per share			
Exercised in the year	**\$10-\$45**	\$10-\$39	\$10-\$39
Unexercised at December 31,	**\$10-\$47**	\$10-\$45	\$10-\$45

In 1988, the Company entered into Incentive Unit Agreements, whereby certain officers will be granted cash awards based on the market value of 300,000 shares of the Company's common stock at the measurement dates. In 1985, the Company entered into Performance Unit Agreements, whereby certain officers will be granted cash awards based on the difference in the market value of 555,000 shares of the Company's common stock at the measurement dates and the base price of \$20.63, the market value as of January 2, 1985.

11. Pension Plans. The Company and its subsidiaries sponsor and/or contribute to various pension plans covering substantially all U.S. employees and certain employees in non-U.S. locations. The benefits are based on years of service and the employee's compensation in certain periods in the last years of employment. Pension costs are generally funded currently, subject to regulatory funding limitations. In 1987, the Company adopted Statement of Financial Accounting Standards No. 87 (SFAS 87), "Employers' Accounting for Pensions," which became effective for U.S. plans in 1987 and for non-U.S. plans in 1989. SFAS 87 caused a decrease in 1987 pension expense of approximately \$13 million. The impact on 1989 pension expense was insignificant.

Total pension expense amounted to approximately \$23 million in 1989, \$24 million in 1988 and \$21 million in 1987. Net pension cost for the Company's defined benefit plans subject to SFAS 87 requirements in 1989, 1988 and 1987 included the following components (in thousands):

	Non-U.S. Plans	U.S. Plans		
	1989	1989	1988	1987
Service cost—benefits earned during the period	**\$12,133**	**\$ 9,830**	\$11,762	\$11,175
Interest cost on projected benefit obligation	**12,539**	**35,393**	35,233	32,873
Actual return on plan assets	**(16,108)**	**(95,254)**	(62,357)	(33,439)
Net amortization and deferral	**2,240**	**56,548**	25,785	(2,395)
Net periodic pension cost	**\$10,804**	**\$ 6,517**	\$10,423	\$ 8,214

The following table sets forth the funded status for the Company's defined benefit plans at December 31, 1989 and 1988 (in thousands):

	Non-U.S. Plans		U.S. Plans			
	December 31, 1989		December 31, 1989		December 31, 1988	
	Assets Exceed Accumulated Benefits	Accumulated Benefits Exceed Assets	Assets Exceed Accumulated Benefits	Accumulated Benefits Exceed Assets	Assets Exceed Accumulated Benefits	Accumulated Benefits Exceed Assets
Actuarial present value of benefit obligation						
Vested benefit obligation	**$137,005**	**$ 2,991**	**$284,986**	**$ 40,985**	$278,066	$ 38,001
Accumulated benefit obligation	**$141,920**	**$ 4,995**	**$305,853**	**$ 43,391**	$307,643	$ 39,494
Projected benefit obligation	**$201,107**	**$ 6,375**	**$364,328**	**$ 49,619**	$366,692	$ 46,475
Plan assets at fair value (primarily listed stocks, bonds and government securities)	**207,806**	**1,961**	**529,067**	**–**	495,709	–
Plan assets in excess of (or less than) projected benefit obligation	**6,699**	**(4,414)**	**164,739**	**(49,619)**	129,017	(46,475)
Unrecognized net (asset) liability at transition	**9,949**	**1,064**	**(42,299)**	**23,669**	(54,672)	24,642
Unrecognized net (gain) loss	**(10,926)**	**540**	**(117,237)**	**(1,533)**	(68,377)	620
Adjustment required to recognize minimum liability	**–**	**(56)**	**–**	**(15,908)**	–	–
Accrued pension asset (liability) included in the consolidated balance sheet	**$ 5,722**	**$(2,866)**	**$ 5,203**	**$(43,391)**	$ 5,968	$(21,213)

The assumptions used in computing the above information are presented below:

	Non-U.S. Plans	U.S. Plans		
	1989	**1989**	1988	1987
Weighted average discount rates	**7%**	**9%**	9%	8%
Rates of increase in compensation levels	**4%**	**6%**	6%	6%
Expected long-term rates of return on assets	**8%**	**9%**	8%	8%

In the fourth quarter of 1989, approximately $40 million in assets and approximately $29 million representing the present value of accumulated benefit obligations were transferred to a successor plan to cover active and terminated vested participants of CCE. This transfer included a pro rata portion of surplus assets in the plan.

Prior to the adoption of SFAS No. 87, locations outside of the United States were not required to report the actuarial present value of accumulated plan benefits or net assets available for benefits. For such plans, the value of the pension funds and balance sheet accruals exceeded the estimated value of benefits as of January 1, 1988, as determined by consulting actuaries.

The Company also has a plan that provides post-retirement health care and life insurance benefits to virtually all domestic employees who retire with a minimum of five years of service; the annual cash cost of these benefits is not significant.

12. Income Taxes. The components of income before income taxes for both continuing and discontinued operations consist of the following (in thousands):

Year Ended December 31,	**1989**	1988	1987
United States	**$1,459,213**	$ 439,149	$ 358,755
Foreign	**1,257,104**	1,142,988	1,053,729
	$2,716,317	$1,582,137	$1,412,484

Income taxes for continuing and discontinued operations consist of the following amounts (in thousands):

Year Ended December 31,	United States	State & Local	Foreign	Total
1989				
Current	**$478,004**	**$84,072**	**$393,380**	**$955,456**
Deferred	**(8,025)**	**160**	**44,901**	**37,036**
1988				
Current	$ 53,084	$14,329	$426,106	$493,519
Deferred	14,857	4,641	24,417	43,915
1987				
Current	$ 49,282	$16,004	$458,067	$523,353
Deferred	(32,466)	(4,615)	10,076	(27,005)

The Company made income tax payments of approximately $537 million, $517 million and $411 million in 1989, 1988 and 1987, respectively.

A reconciliation of the statutory U.S. federal rates and effective rates for continuing operations is as follows:

Year Ended December 31,	**1989**	1988	1987
Statutory rate	**34.0%**	34.0%	40.0%
State income taxes – net of federal benefit	**1.0**	.8	.5
Earnings in jurisdictions taxed at rates different from the U.S. federal rate	**(1.6)**	(.8)	(3.7)
Equity income	**(1.5)**	(2.0)	(1.9)
Other – net	**.5**	1.0	1.5
	32.4%	33.0%	36.4%

Deferred taxes are provided principally for depreciation, certain employee compensation-related expenses and certain capital transactions that are recognized in different years for financial statement and income tax purposes. The Company has manufacturing facilities in Puerto Rico that operate under a Puerto Rican tax exemption that expires December 31, 2009.

Appropriate U.S. and foreign income taxes have been provided for earnings of subsidiary companies that are expected to be remitted to the parent company in the near future. Accumulated unremitted earnings of foreign subsidiaries that are expected to be required for use in the foreign operations were approximately $143 million at December 31, 1989, exclusive of amounts, which if remitted, would result in little or no tax.

13. Acquisitions. In August 1989, the Company acquired all of the Coca-Cola bottling operations of Pernod Ricard for an aggregate purchase price of approximately $140 million. The fair value of assets acquired was $285 million and liabilities assumed were $145 million. Pernod Ricard operated the Coca-Cola bottling, canning and distribution business in six major territories in France. The acquisition was accounted for by the purchase method.

In August 1988, the Company acquired the citrus food-service assets of H.P. Hood Inc. for approximately $45 million. This acquisition was accounted for by the purchase method.

The operating results of the above companies have been included in the consolidated statements of income from their respective dates of acquisition and did not have a significant effect on operating results.

In August 1989, the Company entered into a joint venture with C-C Bottlers Ltd., an Australian Coca-Cola bottler, to acquire the largest soft drink company and licensed bottler of Coca-Cola products in New Zealand. The Company made an investment of approximately $38 million and guaranteed certain indebtedness of the joint venture. In December 1989, the Company entered into an agreement to sell its interest in the joint venture to Amatil, subject to certain conditions. In July 1989, the Company acquired the outstanding stock of Frank Lyon Company, the sole shareholder of Coca-Cola Bottling Company of Arkansas (CCBC of Arkansas), for approximately $232 million, including assumed debt. The investment in CCBC of Arkansas is considered temporary and accordingly, is recorded at cost.

See Note 3 for discussion of the equity investment in Amatil in August 1989.

14. Discontinued Operation and Divestitures. In November 1989, the Company sold its entire equity interest in Columbia Pictures Entertainment, Inc. (CPE) for approximately $1.55 billion in cash. The equity interest consisted of approximately 49 percent of the outstanding common shares of CPE and 1,000 shares of preferred stock. The sale resulted in a gain before income taxes of approximately $930 million. On an after-tax basis, the gain was approximately $509 million or $1.47 per common share. The effective tax rate of 45 percent on the gain on the sale of CPE differs from the statutory U.S. federal rate of 34 percent due primarily to differences between the book basis and tax basis of the Company's investment in CPE.

CPE has been reported as a discontinued operation and accordingly, the gain from the sale of CPE and the Company's equity income (loss) from CPE has been reported separately from continuing operations. The Company had accounted for its investment in CPE under the equity method of accounting on a one month lag basis due to different fiscal year ends for the respective companies. Included in the Company's equity income (loss) from discontinued operation for fiscal years 1989, 1988 and 1987 is the Company's proportionate share of CPE's operating results for the period from December 1, 1988 to October 31, 1989, the period from December 18, 1987 to November 30, 1988, and the period from January 1 to December 17, 1987, respectively.

In August 1989, the Company sold Belmont Springs Water Co., Inc., a bottled water operation, which resulted in a gain before income taxes of approximately $61 million.

In January 1988, the Company purchased The Coca-Cola Bottling Company of Memphis, Tenn., which was subsequently sold along with substantially all of the bottling operations of The Coca-Cola Bottling Company of Southern Florida, Inc. to CCE for approximately $500 million in cash plus the assumption of indebtedness, the total of which approximated the Company's carrying value.

In July 1987, the Company sold a significant portion of the Rainwater Bottlers to CCE for approximately $174 million. The remaining operations of Rainwater Bottlers were sold in August 1987 for approximately $40 million. The total proceeds from the 1987 sales approximated the Company's carrying value.

15. Provisions for Restructured Operations. In 1987, the Company recorded a $36 million charge related to restructuring activities in its Foods Business Sector. This charge relates to transitional matters associated with the change in industry environment and a revised operating strategy concurrent with a change in senior management.

16. Interest. The Company capitalizes interest costs incurred as part of the acquisition or construction of major assets. All other interest is expensed as incurred. The components of net interest expense are summarized in the following table (in thousands):

	1989	1988	1987
Total interest incurred	**$314,592**	$238,666	$302,545
Less–capitalized interest	**6,558**	8,153	5,773
Interest expense	**308,034**	230,513	296,772
Interest income	**(205,035)**	(199,333)	(232,032)
Net interest expense	**$102,999**	$ 31,180	$ 64,740

Interest paid was approximately $319 million, $250 million and $275 million in 1989, 1988 and 1987, respectively.

17. Net Change in Operating Assets and Liabilities. The changes in operating assets and liabilities, net of effects of acquisitions and divestitures of businesses, are as follows (in thousands):

	1989	1988	1987
Decrease (increase) in trade accounts receivable	**$ (99,496)**	$33,887	$ (11,182)
Increase in inventories	**(34,709)**	(25,744)	(29,372)
Decrease (increase) in prepaid expenses and other assets	**(204,222)**	(35,496)	49,659
Increase (decrease) in accounts payable and accrued expenses	**88,940**	(36,139)	121,414
Increase (decrease) in accrued taxes	**456,544**	(17,618)	105,117
Increase (decrease) in other liabilities	**72,325**	(2,626)	28,305
	$279,382	$(83,736)	$263,941

18. Lines of Business. Information concerning operations in different lines of business at December 31, 1989, 1988 and 1987 and for the years then ended is presented below (in millions). The Company operates principally in the soft drink industry. Citrus, fruit drinks and other products are included in the Foods Business Sector. Intercompany transfers between sectors are not material.

	Soft Drinks				
1989	USA	International	Foods	Corporate	Consolidated
Net Operating Revenues	$2,565.7	$4,759.2	$1,583.3	$ 57.6	$8,965.8
Operating Income	390.6	1,517.6	87.4	(269.8)	1,725.8
Identifiable Operating Assets	1,814.4	2,806.0	695.3	1,036.4(a)	6,352.1
Equity Income				75.5(b)	75.5
Investments in Affiliates				1,930.4(c)	1,930.4
Capital Expenditures	136.3	215.6	61.6	49.0	462.5
Depreciation and Amortization	73.9	48.4	30.7	30.8	183.8

	Soft Drinks				
1988	USA	International	Foods	Corporate	Consolidated
Net Operating Revenues	$2,284.4	$4,503.8	$1,512.1	$ 37.5	$8,337.8
Operating Income	351.9	1,338.8	89.3	(181.7)	1,598.3
Identifiable Operating Assets	1,711.9	2,097.1	694.1	1,035.5(a)	5,538.6
Equity Income				92.5(b)	92.5
Investments in Affiliates				1,912.0(c)	1,912.0
Capital Expenditures	80.2	159.2	82.0	65.4	386.8
Depreciation and Amortization	66.9	42.8	32.0	28.1	169.8

	Soft Drinks				
1987	USA	International	Foods	Corporate	Consolidated
Net Operating Revenues	$2,120.1	$4,109.2	$1,414.3	$ 14.7	$7,658.3
Operating Income	323.6	1,108.9	66.6(d)	(175.3)	1,323.8
Identifiable Operating Assets	2,047.4	2,126.7	627.3	1,586.0(a)	6,387.4
Equity Income				64.4(b)	64.4
Investments in Affiliates				2,218.1(c)	2,218.1
Capital Expenditures	78.0	92.3	55.4	77.8	303.5
Depreciation and Amortization	60.3	43.0	28.9	22.3	154.5

(a) General corporate identifiable operating assets are composed principally of marketable securities and fixed assets.

(b) Equity income has been restated to exclude the Company's equity income (loss) from CPE, which has been reported as a discontinued operation.

(c) Includes investments in soft drink bottling companies and joint ventures for all periods and CPE for 1988 and 1987. The Company's investment in CPE, which was sold in November 1989, approximated $598.1 million and $989.4 million at December 31, 1988 and 1987, respectively.

(d) Includes provisions for restructured operations aggregating $36 million.

19. Operations in Geographic Areas. Information about the Company's operations in different geographic areas at December 31, 1989, 1988 and 1987 and for the years then ended is presented below (in millions). Intercompany transfers between geographic areas are not material.

1989	United States	Latin America	European Community	Northeast Europe and Africa	Pacific and Canada	Corporate	Consolidated
Net Operating Revenues	$4,022.2	$646.2	$1,855.1	$425.2	$1,959.5	$ 57.6	$8,965.8
Operating Income	468.2	226.7	540.6	147.3	612.8	(269.8)	1,725.8
Identifiable Operating Assets	2,476.0	515.4	1,342.8	328.8	652.7	1,036.4(a)	6,352.1
Equity Income						75.5(b)	75.5
Investments in Affiliates						1,930.4(c)	1,930.4

1988	United States	Latin America	European Community	Northeast Europe and Africa	Pacific and Canada	Corporate	Consolidated
Net Operating Revenues	$3,683.6	$583.2	$1,618.3	$385.2	$2,030.0	$ 37.5	$8,337.8
Operating Income	433.9	179.5	465.7	130.4	570.5	(181.7)	1,598.3
Identifiable Operating Assets	2,353.4	431.8	754.8	279.4	683.7	1,035.5(a)	5,538.6
Equity Income						92.5(b)	92.5
Investments in Affiliates						1,912.0(c)	1,912.0

1987	United States	Latin America	European Community	Northeast Europe and Africa	Pacific and Canada	Corporate	Consolidated
Net Operating Revenues	$3,459.1	$558.0	$1,383.4	$326.1	$1,917.0	$ 14.7	$7,658.3
Operating Income	384.5(d)	153.2	393.2	114.9	453.3	(175.3)	1,323.8
Identifiable Operating Assets	2,625.9	368.3	751.0	289.8	766.4	1,586.0(a)	6,387.4
Equity Income						64.4(b)	64.4
Investments in Affiliates						2,218.1(c)	2,218.1

Identifiable Liabilities of Operations Outside the United States amounted to approximately $1,082.8 million, $946.2 million and $949.6 million at December 31, 1989, 1988 and 1987, respectively.

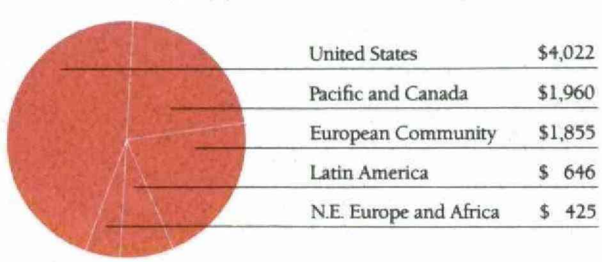
(a) General corporate identifiable operating assets are composed principally of marketable securities and fixed assets.

(b) Equity income has been restated to exclude the Company's equity income (loss) from CPE, which has been reported as a discontinued operation.

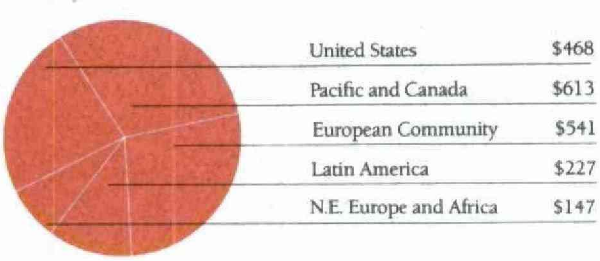
(c) Includes investments in soft drink bottling companies and joint ventures for all periods and CPE for 1988 and 1987. The Company's investment in CPE, which was sold in November 1989, approximated $598.1 million and $989.4 million at December 31, 1988 and 1987, respectively.

(d) Includes provisions for restructured operations aggregating $36 million.

Net Operating Revenues
(Millions)



Operating Income
(Millions)



Board of Directors and Shareholders
The Coca-Cola Company
Atlanta, Georgia

We have audited the accompanying consolidated balance sheets of The Coca-Cola Company and subsidiaries as of December 31, 1989 and 1988, and the related consolidated statements of income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 1989. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Coca-Cola Company and subsidiaries at December 31, 1989 and 1988, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1989, in conformity with generally accepted accounting principles.

Ernst + Young

Atlanta, Georgia
January 26, 1990

Management is responsible for the preparation and integrity of the consolidated financial statements appearing in this Annual Report. The financial statements were prepared in conformity with generally accepted accounting principles appropriate in the circumstances and, accordingly, include some amounts based on management's best judgments and estimates. Financial information in this Annual Report is consistent with that in the financial statements.

Management is responsible for maintaining a system of internal accounting controls and procedures to provide reasonable assurance, at an appropriate cost/benefit relationship, that assets are safeguarded and that transactions are authorized, recorded and reported properly. The internal accounting control system is augmented by a program of internal audits and appropriate reviews by management, written policies and guidelines, careful selection and training of qualified personnel and a written Code of Business Conduct adopted by the Board of Directors, applicable to all employees of the Company and its subsidiaries. Management believes that the Company's internal accounting controls provide reasonable assurance that assets are safeguarded against material loss from unauthorized use or disposition and that the financial records are reliable for preparing financial statements and other data and maintaining accountability for assets.

The Audit Committee of the Board of Directors, composed solely of Directors who are not officers of the Company, meets with the independent auditors, management and internal auditors periodically to discuss internal accounting controls, auditing and financial reporting matters. The Committee reviews with the independent auditors the scope and results of the audit effort. The Committee also meets with the independent auditors and the chief internal auditor without management present to ensure that the independent auditors and the chief internal auditor have free access to the Committee.

The independent auditors, Ernst & Young, are recommended by the Audit Committee of the Board of Directors, selected by the Board of Directors and ratified by the shareholders. Ernst & Young is engaged to audit the consolidated financial statements of The Coca-Cola Company and subsidiaries and conduct such tests and related procedures as it deems necessary in conformity with generally accepted auditing standards. The opinion of the independent auditors, based upon their audit of the consolidated financial statements, is contained in this Annual Report.

Roberto C. Goizueta
Chairman, Board of Directors,
and Chief Executive Officer

Jack L. Stahl
Jack L. Stahl
Senior Vice President
and Chief Financial Officer

Patrick M. Worsham
Vice President
and Controller

January 26, 1990

Quarterly Data (Unaudited)

(For the years ended December 31, 1989 and 1988)

(In millions except per share data)

1989	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
Net Operating Revenues	$1,985.2	$2,429.1	$2,302.6	$2,248.9	$8,965.8
Gross Profit	1,152.7	1,382.7	1,306.6	1,231.7	5,073.7
Income From Continuing Operations	259.3	346.0	356.0	231.5	1,192.8
Net Income	259.8	345.5	361.3	757.2	1,723.8
Net Income Available To Common Shareholders	254.4	339.9	356.0	752.1	1,702.4
Income Per Common Share From Continuing Operations	.72	.98	1.02	.67	3.39
Net Income Per Common Share	.72	.98	1.03	2.22	4.92

1988	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
Net Operating Revenues	$1,869.1	$2,313.6	$2,128.3	$2,026.8	$8,337.8
Gross Profit	1,007.8	1,292.7	1,221.8	1,114.1	4,636.4
Income From Continuing Operations	262.0	302.8	292.5	231.7	1,089.0
Net Income	210.5	303.1	295.6	235.5	1,044.7
Net Income Available To Common Shareholders	210.5	303.1	294.4	230.3	1,038.3
Income Per Common Share From Continuing Operations	.71	.82	.81	.63	2.97
Net Income Per Common Share	.57	.82	.81	.65	2.85

The third quarter of 1989 includes a $36 million after-tax gain ($.10 per common share) on the sale of the Company's bottled water business.

The fourth quarter of 1989 includes a $509 million after-tax gain on the sale of the Company's interest in CPE. This gain increased net income per common share by $1.50 for the quarter and $1.47 for the year. Net income per common share is computed using average shares outstanding during the period which were 339 million shares for the quarter and 346 million shares for the year. Such differences caused the sum of net income per common share for the four quarters to be $.03 higher than the reported full year amount.

Operating results for 1988 and the first three quarters of 1989 have been restated to report the Company's equity income (loss) from CPE, which was sold in November 1989, as a discontinued operation.

Corporate Officers

Roberto C. Goizueta
Chairman, Board of Directors, and Chief Executive Officer

Donald R. Keough
President and Chief Operating Officer

Executive Vice Presidents

John W. Georgas
A. Garth Hamby
Ira C. Herbert

Senior Vice Presidents

M.A. Gianturco
John Hunter
E. Neville Isdell
M. Douglas Ivester
Weldon H. Johnson
Robert A. Keller
Earl T. Leonard, Jr.
Alex Malaspina
Edwin R. Mellett
Douglas A. Saarel
Jack L. Stahl
R.V. Waltemeyer
Carl Ware

Vice Presidents

William W. Allison
Anton Amon
William R. Buehler
Robert L. Callahan, Jr.
Philip J. Carswell, Jr.
Carlton L. Curtis
William J. Davis
Murray D. Friedman
John J. Gillin
Joseph R. Gladden, Jr.
George Gourlay
Robert D. Guy
G. Marc Hamburger
Gary P. Hite
W. Glenn Kernel
Gloria E. Lemos
William H. Lynn
John B. Morrison
Maury C. Roe
Roy G. Stout
Hugh K. Switzer
Harry E. Teasley, Jr.
Patrick M. Worsham

Jack L. Stahl
Chief Financial Officer

Robert A. Keller
General Counsel

Phillip J. Carswell, Jr.
Treasurer

Patrick M. Worsham
Controller

Susan E. Shaw
Secretary

Executive Officers—Operating Units

North America Soft Drink Business Sector

Ira C. Herbert
President

International Soft Drink Business Sector

John W. Georgas
President

Foods Business Sector

Harry E. Teasley, Jr.
President

Board of Directors

Herbert A. Allen
President and Chief Executive Officer
The investment banking firm
Allen & Company Incorporated

Warren E. Buffett
Chairman of the Board and Chief Executive Officer
The diversified holding company
Berkshire Hathaway Inc.

Anne Cox Chambers
Chairman
Atlanta Newspapers

Charles W. Duncan, Jr.
Chairman of the Board
The private investment firm
Duncan, Cook & Co.

Richard J. Flamson III
Chairman, Board of Directors
Security Pacific Corporation
Chairman, Board of Directors
Security Pacific National Bank

Roberto C. Goizueta
Chairman, Board of Directors, and Chief Executive Officer
The Coca-Cola Company

Donald R. Keough
President and Chief Operating Officer
The Coca-Cola Company

James T. Laney
President
Emory University

Donald F. McHenry
University Research Professor of Diplomacy and International Affairs
Georgetown University

Paul F. Oreffice
Chairman of the Board
The Dow Chemical Company

James D. Robinson, III
Chairman and Chief Executive Officer
American Express Company

James M. Sibley
Partner in the law firm
King & Spalding

William B. Turner
Chairman, Executive Committee of Board of Directors
The diversified company
W.C. Bradley Co.
Chairman, Executive Committee of Board of Directors
Synovus Financial Corporation
Chairman of the Board
Columbus Bank & Trust Company

Peter V. Ueberroth, *investor*
Managing Director
The management company
The Contrarian Group, Inc.

James B. Williams
Vice Chairman
SunTrust Banks, Inc.

(Standing, left to right) James D. Robinson, III, Charles W. Duncan, Jr., Peter V. Ueberroth, Richard J. Flamson III, Warren E. Buffett, Donald F. McHenry, James M. Sibley, James T. Laney, (sitting, left to right) Anne Cox Chambers, Paul F. Oreffice, James B. Williams, Roberto C. Goizueta, Donald R. Keough, Herbert A. Allen, William B. Turner.

Common Stock

Ticker symbol: KO

The Coca-Cola Company is one of 30 companies in the Dow Jones Industrial Average.

Common stock of The Coca-Cola Company is listed and traded on the New York Stock Exchange, which is the principal market for the common stock, and also is traded on the Boston, Cincinnati, Midwest, Pacific and Philadelphia stock exchanges. Outside the United States, the Company's common stock is listed and traded on the German exchange in Frankfurt and on Swiss exchanges in Zurich, Geneva, Bern, Basel and Lausanne.

Shareholders of record at year-end: 95,952

Shares outstanding at year-end: 337 million

Dividends

At its February 1990 meeting, the Company's Board of Directors increased the quarterly dividend to 40 cents per share, equivalent to an annual dividend of $1.60 per share. The Company has increased dividends each of the last 28 years.

The Coca-Cola Company normally pays dividends four times a year, usually on April 1, July 1, October 1 and December 15. The Company has paid 275 consecutive quarterly dividends, beginning in 1920.

Dividend and Cash Investment Plan

All shareholders of record are invited to participate in the Dividend and Cash Investment Plan. The Plan provides a convenient, economical and systematic method of acquiring additional shares of the Company's common stock. The Plan permits shareholders of record to reinvest dividends from Company stock in shares of The Coca-Cola Company. Shareholders also may purchase Company stock through voluntary cash investments of up to $60,000 per year.

All costs and commissions associated with joining and participating in the Plan are paid by the Company.

The Plan's administrator, First Chicago Trust Company of New York, purchases stock for voluntary cash investments on or about the first of each month, and for dividend reinvestment on April 2, July 1, October 1 and December 15.

At year-end, 29 percent of shareholders of record were participants in the Plan. In 1989, shareholders invested $7.9 million in dividends and $5.2 million in cash in the Plan.

Stock Prices

Below are the New York Stock Exchange high, low and closing prices of The Coca-Cola Company stock for each quarter of 1989 and 1988.

Quarter	1989 High	Low	Close
Fourth	81.00	61.88	77.25
Third	69.25	56.00	67.00
Second	60.13	50.50	56.38
First	51.88	43.38	51.25

Quarter	1988 High	Low	Close
Fourth	45.25	40.88	44.63
Third	44.38	36.25	43.75
Second	40.13	35.00	39.00
First	40.50	35.00	38.25

Annual Meeting of Shareholders

April 18, 1990 at 9:00 a.m. local time
The Corporation Trust Company
1209 Orange Street
Wilmington, Delaware

Publications

The Company's annual report on *Form 10-K* and quarterly report on *Form 10-Q* are available free of charge from the Office of the Secretary, The Coca-Cola Company, P.O. Drawer 1734, Atlanta, Georgia 30301.

A notice of Annual Meeting of Shareholders and *Proxy Statement* are furnished to shareholders in advance of the annual meeting. *Progress Reports*, containing financial results and other information, are distributed quarterly to shareholders.

Also available from the Office of the Secretary are *Coca-Cola, A Business System Toward 2000: Our Mission in the 1990s, The Chronicle of Coca-Cola Since 1886* and other booklets about the Company and its products.

Equal Opportunity Policy

The Coca-Cola Company maintains a long-standing commitment to equal opportunity and affirmative action. The Company strives to create a working environment free of discrimination and harassment with respect to race, sex, color, national origin, religion, age, handicap, or being a veteran of the Vietnam era as well as to make reasonable accommodations in the employment of qualified individuals with disabilities. The Company continued to increase minority and female representation in 1989. In addition, the Company provides fair marketing opportunities to all suppliers and maintains programs to increase transactions with firms that are owned and operated by minorities and women.

Corporate Offices

The Coca-Cola Company
One Coca-Cola Plaza
Atlanta, Georgia 30313
(404) 676-2121

Mailing Address

The Coca-Cola Company
P.O. Drawer 1734
Atlanta, Georgia 30301

Shareholder Account Assistance

For address changes, dividend checks, account consolidation, registration changes, lost stock certificates, stock holdings and the Dividend and Cash Investment Plan:

Registrar and Transfer Agent
First Chicago Trust Company of New York
30 West Broadway
New York, New York 10007-2192
1-800-446-2617
or
(212) 483-2323
or
Office of the Secretary
The Coca-Cola Company
(404) 676-2777

Institutional Investor Inquiries

(404) 676-5766

Annual Report Requests

(800) 438-2653

Design: Critt Graham + Associates
Photography: Arthur Meyerson;
Joe Stewardson (pp. 6 top, 20, 28);
Kraig Carlstrom (p. 22)
Printing: George Rice & Sons

The Coca-Cola Company